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24 July 1985

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EGYPT

LEGAL ORGANIZATION OF SUFISM DISCUSSED

Cairo ROSE AL-YUSUF in Arabic 3 Jun 85 pp 80-81

[Article by Iqbal al-Siba'i: "Sixty-eight Orders in Egypt"]

[Excerpt] The Sufi orders have a unique spiritual world, a religious system from which their members do not deviate, and a life peculiar to themselves about which they speak only with extreme caution.

Each order has "aspirants" (muridun) and "successors" (khulafa'), as well as "successors to the successors," and a "shaykh of the order." If an aspirant wishes to enter the order, he must first declare his repentance and take a pledge administered by the shaykh.

The Sufi orders are regulated by Public Law 118 of 1976, with its administrative ordinance. Supervision of the law's execution is the responsibility of the General Office of Shaykhs of Sufi Orders, headed by a "shaykh of shaykhs of orders."

Before we explore the origins and growth of the Sufi orders, let us first explain some of the honorific titles that may seem unclear to some and the importance of their sequence within each order.

A Hereditary Office

There are 68 orders in Egypt, all under different shaykhs and bearing different names. The organizational structure of any order begins at the top with a shaykh of the order, called the "general shaykh of the order." The law defines the conditions under which he is qualified to hold his office. Among the most important of these conditions are:

- that he be of legal age and in possession of his full civil and political rights;
- that he not have been convicted of a felony or misdemeanor prejudicial to his honor or trustworthiness, as long as his respectability has not been restored to him in either case;
- that he be proficient in reading and writing, conversant with the principles of Islamic law, and of good reputation and upright character;
- that he not be the shaykh of another Sufi order.

The shaykh of an order is appointed by a decree issued by the Supreme Council of Sufi Orders.

In most cases, the office of shaykh of an order is hereditary. The law stipulates that, when the office falls vacant, priority in being considered for nomination to the office of shaykh of the order shall go to the eldest son of the previous shaykh. If he is a minor, another shaykh of the order is appointed, the son being named his "agent" (wakil) until he comes of age.

If the shaykh has no son, his brothers [are next in succession], full brothers having priority over others. If he had no brothers, then his relatives in order of closeness. If there are none, then [priority goes to] the senior men of the order, those who satisfy the qualifications for holding the office.

A Shaykh and 10 Members

The Supreme Council of Sufi Orders exercises general supervision over and support of Sufi activity and of existing or newly-organized Sufi orders. It is a body with independent legal corporate identity. Its purposes are religious, spiritual, social, cultural and national. In its activity, it is bound by the Koran and the Sunna of the Prophet [Muhammad]. Its headquarters are in Cairo.

The Supreme Council of Sufi Orders is composed of the shaykh of shaykhs of the Sufi orders, who is appointed by decree of the president of the republic from among the shaykhs of orders who have been elected to membership in the Supreme Council, and of 10 members whom the General Assembly of Shaykhs of Sufi Orders elects from their own number by direct secret ballot to membership in the Council for a period of 3 years.

A meeting of the General Assembly is valid only if at least 30 shaykhs of orders are in attendance.

The "shaykh of shaykhs" of the orders is the supreme head of Sufi orders in the republic. He presides over the Supreme Council of Sufi Orders and over the General Assembly of Shaykhs of Sufi Orders by virtue of his office. He is the legal representative of the Supreme Council of Sufi Orders before the courts and in its external relations.

In addition to the "shaykh of shaykhs" of Sufi orders, as head of the Supreme Council of Orders, and the 10 members elected to membership in the Council by the shaykhs of orders, the Council includes a representative of al-Azhar [University] chosen by the rector of al-Azhar, a representative of the Ministry of Awqaf, one from the interior Ministry, one from the Ministry of Culture, and a representative from the General Secretariat of Local Government and Popular Organizations.

How Did They Grow?

The Sufi orders did not have an established administrative organization of this sort before 1985. When the first amended official ordinance was issued on 2 June 1903, among its most important provisions was the recognition of the shaykhs of Sufi orders in [Egypt] as constituting a religious body with a

head to be known as "shaykh of shaykhs of the Sufi orders." His appointment was to be made by the khedive. Now it takes place by a decree of the republic.

Since this ordinance had become obsolete and not in keeping with the times, the General Office of Shaykhs of Sufi Orders saw fit to reform and amend it. Public Law 118 of 1976 was therefore issued concerning the system of Sufi orders.

"Discussion of the Sufi orders requires that one go into their growth historically," as Dr Abu-al-Wafa al-Taftazani, shaykh of the shaykhs of Sufi orders and vice-president of Cairo University, says. "The first form in which the Sufi orders appeared was during the 3rd and 4th Islamic centuries [9th and 10th centuries A.D.]. They found expression in the appearance of a scholar acting in accordance with the Koran and the Sunna, around whom students gathered in order to be enlightened by him with the fullness of his knowledge, practice, and way of travelling [the religious path]. In him they found their model.

"The ascetic movement in Islamic society began to appear in the 1st and 2nd Islamic centuries [7th and 8th centuries A.D.] as a reaction to political and social causes and to men's devoting themselves to this world. Those who at that time devoted themselves to God were known by various names: sometimes as 'ascetics,' sometimes as 'pietists,' also as 'those who weep constantly.'

"These first ascetics were the incipient beginnings of the Sufis who came after them during the 3rd and 4th Islamic centuries. The Sufi movement was therefore not separate from the actualities of society; but it was at the same time not a political movement, as it took as its goal the refinement of man's character and the uplifting of the human soul. An example of these [early Sufis] was Rabi'ah al-'Adawiyah. Ibn Khaldun therefore said in his explanation of the rise of Sufism, 'Sufism is one of the sciences of the religious law that originated in the [Islamic] community.'" [The Muqaddimah, Ch. 6, section 16]

[Question] What is the meaning of "Sufism"?

[Answer] The meaning of Sufism--those who used to practice moderation in food and clothing used to wear woolen garments, at first to show frugality and asceticism. So it came to be said that "so-and-so has put on wool (suf)." Later these "wool-wearers" discovered that Sufism was not a particular costume or appearance. One of them said:

"We do not want to make the wearing of wool a slogan or a badge to attract publicity. The wearing of such a badge would be forbidden by Islamic law." So they said that "Sufism" is derived rather from "purification" (tasfiya) of the soul and cleansing of the heart.

The development of the Sufi orders as we now see them began at a relatively late period, in the 5th Islamic century [11th century A.D.]. By the time of Imam al-Ghazali, the situation had taken an established form. A scholar-master would appear as model, and "aspirants" would gather around him. During the 6th century [12th century A.D.], several great Sufi shaykhs who had been influenced by the Imam al-Ghazali appeared: for example, Imam 'Abd-al-Qadir al-Jilani and Imam Ahmad al-Rifa'i. It was then that the Sufi orders in their presently known form began, though with some differences. A succession of scholars appeared who were known as "poles": for example, after al-Jilani and al-Rifa'i there was al-Shadhili. He was Moroccan, but came to Egypt. Then there appeared Sayyid Ahmad al-Badawi, Ibrahim al-Dasuqi, and a number of other shaykhs in the 6th and 7th centuries [12th-13th centuries]. This was the beginning of the presently known orders.

The Qadiriyyah Order took its name from 'Adb-al-Qadir [al-Jilani], the Rifa'iyah Order from al-Rifa'i, and so forth.

Dr al-Taftazani believes that the first organization of Sufi orders took place in the period of Salah-al-Din, the Ayyubid. A khanqah, or hospice for Sufis, was then in existence under the care of a great scholar known as "shaykh of the khanqah of the most felicitous." He was known as the "shaykh of shaykhs." This was the first organization of the orders. The situation remained thus until the 9th Islamic century [15th century A.D.], when the leading position moved to the Bakri family, where it remained until 1946. During the days of al-Sa'id Tawfiq al-Bakri, the 1903 law was promulgated, and this law was afterwards amended to its present form.

[Question] What is the story of the Sufi technical language and titles?

[Answer] During the Mamluk period, Sufis used to go out on campaigns with the Mamluk sultans, so they took to following the organization of the army. All the different ranks now used by the orders, from "successor" (khalifah) and "successor of successors" to "marshal" (naqib), are technical terms from the Mamluk period. Ibn Iyas mentions something about this in his history.

Orders Presently in Existence

The founder of the Qadiriyyah Order was one of the greatest Sufi shaykhs, 'Abd-al-Qadir al-Jilani. He was born in 470 A.H. [1077-78 A.D.] in Gilan [in Iran]. In 478 [1085-86], he travelled to Baghdad, where he studied Hanbali jurisprudence. Adopting the Sufi way of life, he devoted himself to preaching in Baghdad and obtained great renown. His students spread his order in many Islamic countries, such as Yemen, Syria, and Egypt. Later, it spread to India and Turkey. He died in 561 [1165-66]. His order exists to the present day in Egypt, the Sudan, and many countries of Asia and Africa.

Among the great shaykhs of the Sufi orders was Shaykh Ahmad al-Rifa'i, founder of the Rifa'iyah Order. He took his name from the Banu Rifa'ah, an Arab tribe that lived at Umm 'Ubaydah in al-Bata'ih [the marshy area between Basra and Wasit in Iraq]. He died there in 578 [1182-83]. A group of

"aspirants" gathered around him and became known as the Rifa'iyah or Bata'ihyah [Order]. Like the Qadiriyyah, his order spread over a wide area. It is still widespread in Egypt to the present day.

In the 7th Islamic century [13th century A.D.], the activity of Sufi orders was very evident in both eastern and western parts of the Islamic world. The Shadhiliyyah Order began in Morocco and moved from there to Egypt. The order takes its name from Abu-al-Hasan al-Shadhili, a Sufi who came to Egypt with a number of his aspiring students who settled in Alexandria, where they founded a famous Sufi school. The most eminent of these students who came to Egypt with al-Shadhili was Shaykh Abu-al-'Abbas al-Mursi. He succeeded to the leadership of the followers of [al-Shadhili's] order during the latter's lifetime and after his death. He remained its leader until he died in Alexandria in 686 [1287-88]. He was succeeded by the most eminent of his Egyptian disciples, Shaykh Ibn 'Ata'allah al-Sikandari, who preserved the legacy of the Shadhiliyyah Order from oblivion.

There are many other orders that came into being, such as the Ahmadiyah Order, founded by Sayyid Ahmad al-Badawi in 596 [1199-1200], and the Barhamiyah Order, founded by Shaykh Ibrahim al-Dasuqi.

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CSO: 4504/383

BAHRAIN

LABOR MIGRATION ISSUES STUDIED

Manama AL-BAHRAYN in Arabic 1 May 85 pp 10-13

[Article: "Migration and the Labor Force in Figures: Do Figures and Statistics Help Solve the Problem of Migration?"]

[Text] The most accurate way to express the scope of any problem is with the language of accurate figures and statistical reports because they form the basic framework in economic and social planning. At the central computer center in al-Jafir is held the training course for demographic analysis and population statistics on the subject of migration and the labor force, a subject that has a great deal of importance and has an effect on economic and social conditions in the country, whence its interest for us, because most Gulf countries do not have precise reports and statistics on the size of this migration and its variables.

By using methods for reading this migration and observing its social and economic effects on the region, it is possible to study the kind of migration and labor force in the past and present, and similarly elucidate the indicators that encourage, inhibit or affect migration. Shaykh Muhammad 'Atiyatallah al-Khalifah, president of the Central Statistics Agency, says:

"The importance of the decisions taken by the Central Statistics Agency to hold these courses came after scientific studies on their benefit for all areas of planning. After training workers and specialists in the different sectors of the country, Bahrain is considered to be one of the most experienced of the countries of the Gulf Cooperation Council in the area of obtaining demographic reports. The first population census in Bahrain was in 1941, followed by five others, the last of which was in 1981.

In addition, there is a new and powerful information bank on migration and the labor force.

The issue of migration is thought to be one of the most important changes that we face, not just in Bahrain, but in the countries of the Gulf Cooperation Council. This is the reason for the courses, whose primary goal is to train workers in the sectors of the state by turning numbers into information by using modern scientific techniques to explain the present situation, provide prognoses on migration and the labor force and explain what the factors are

that encourage or inhibit migration. Migration and the labor force have a special importance, especially since the states of the Cooperation Council are among those that bring in foreign workers. Through the figures and statistics, we can crystalize the size of the work force and the factors that have an effect on its increase or decrease, its type, the specializations of the workers, their ages and educational level, etc. For example, the workers who play a role in trade or finance or industry are different from those in construction projects. By using statistical information, we build an information base on workers in the country. This information is discussed at all levels with all the relevant agencies. For example, if there is a concentration of foreign workers in certain sectors, then it is studied and if it is found that, for example, 60 percent of certain sectors are foreigners and the rest citizens, then this means that there are 60 [percent of] positions vacant. Consequently, we prepare a training plan to graduate cadres of citizens to take the place of the foreign workers in this sector."

Dr 'Abd-al-Khaliq Dhakri, UN advisor for population statistics, says:

"If population and human studies are supposed to be concerned with the study of man as a member of society who needs educational, housing and health services and to work towards providing his needs in the way of consumer goods and raising his social and economic level, then population and social studies should be concerned with the study of man as a human resource among society's resources. It is true that if it were not for man, there would be no growth, because it occurs with and for the sake of man."

This is the reason for the concentration on training cadres of Bahraini citizens through specialized courses. In the area of demographic planning and population statistics we can prepare a detailed and scientific examination of a basic problem with economic and social importance in the countries of the Cooperation Council, i.e. migration and the labor force, because it is a vital and sensitive topic, and the focus is on training qualified Bahraini cadres to replace foreign workers.

Because the area of statistics is a technical area that requires constant training, the Central Statistics Agency, as the agency responsible for drawing up and publishing statistics, training, studying and doing research, plays the main role in the country of analyzing reports and helping researchers and analysts obtain statistical reports. In order to achieve this, we have implemented a number of staged training programs using short, general training courses and we have set up an academic program to graduate Bahraini specialists in the area of statistics and population studies in cooperation with Bahrain College. This program started in 1981 and the first class was graduated with diplomas in 1983."

The goal of this course is to present a comprehensive picture of the economic and social effects and dimensions of migration and the degree to which Arab countries rely on the importation of foreign labor and the importance of replacing it with domestic labor.

Population studies mean the study of man as a human resource in society and also as a consumer. This dual nature is very important in population studies

and its basis is the work element, for which educational preparation and training are necessary.

If the domestic labor force is not sufficient, then the country is forced to bring in labor from abroad to help in the different centers of production until there is a trained and qualified labor force.

Imported labor has its advantages and disadvantages. It helps in production and in services.

But it also has its disadvantages, in that it can be an obstacle to the domestic labor force.

It also has an effect on culture, social heritage and customs through the non-Arab foreigners, especially if there are large numbers of them, as is the case in the Arab Emirates, in which foreign workers constitute 80 percent of the inhabitants of the country.

If we call for replacement of the foreign workers by domestic workers, then we have to plan and adjust our course, because in fact, the process of importing labor is disorganized and unplanned, especially when it is done by private sector agencies. These agencies resort to bringing in workers that the country does not need because of the low wage level of these workers, or using them in service positions that do not require qualifications or experience. Usually these workers are uneducated.

This results in unemployment and more workers than are needed and a less than ideal use of domestic workers.

There is also an aversion on the part of domestic workers to performing certain lowly jobs or service jobs like construction, hotels, restaurants and other jobs, which forces those with jobs to fill to bring in foreign workers as their solution. But this creates other economic and social problems, like the entry of foreigners as competitors in the labor market and remittance of their earnings to their countries. On the social side, their presence in the society changes the ways and customs, like the phenomenon of foreign nannies and servants in the house and the resulting negative effect on the raising of children.

Rather than promote a domestic and Arab labor force, we have resorted to foreign labor. Whereas Arab workers used to make up 65 percent in oil countries in 1975, this percentage has gone down to only 45 percent.

Thus there must be strong and clear policies and a connection between educational policy and the labor force and technical and occupational training centers. In this way it would be possible to identify the supply and demand of the labor force and the needs of centers of production and service sectors. Naturally, this evaluation and these policies would have to have been studied for a long time and for the longest possible term. The necessary population statistics for migration and the labor force as well as estimates of its size in the labor market would have to be made available. Importation of workers would be on the basis of agreements subject to certain conditions relating to

their technical and professional level, experience and numbers according to need. The same applies to the rights and obligations of workers in the host countries with regard to wages, housing and medical services, so that we answer this question: For whose benefit is growth? For the foreign workers living in the country, or for the native citizens of the country?

- Study of the Kind of Immigration

Yasir 'Isa al-Nasir, president of research and training at the Central Agency for Statistics and supervisor of the course, says:

"The goal of this course is to be a complement to efforts between the Central Agency for Statistics and the UN, because the developed countries rely on statistics and statistical methods in drawing up the development policy that they will follow, whether for short- or long-term, in areas of national planning. The State of Bahrain is considered one of the countries that have been concerned with population statistics, having conducted six censuses so far, in 1941, 1950, 1959, 1965, 1971 and 1981. This was to make available basic information about residents, housing and the economic, social and cultural characteristics of individuals of the society.

Interest in specialized training courses in the area of statistics began, with the first in 1981, comprising most employees at the state's ministries, in order to spread statistical awareness to facilitate the process of gathering information and numbers important to all sectors. Why were migration and the labor force chosen? Because, naturally, Bahrain is seeing a noticeable change in its population distribution, and given the many big projects, there was an urgent need for foreign workers, to the extent that from the beginning of the seventies until 1981, the percentage of foreign workers made up 32 percent of the total population of the country.

The importance of this course came from the social and economic effects produced by foreign workers on the composition of the domestic population, in conjunction with the country's policy to limit the use of foreign workers and the Bahrainization of positions. The focus was on studying the reasons for migration and the effect of the labor force on the size of the population, expenditures, consumption averages, etc. With the increase in education and the reduction in illiteracy, the time has come for native citizens to take the place of foreign workers, because if the growth in foreign workers continues, there will not be many opportunities for citizens. Our job as a technical agency is to publish statistics and reports on all of these phenomena, because in drawing the connection between the labor force and migration, we find that the foreigners who work in the public sector number 12,628, according to the 1981 census, in addition to 58,993 in the private sector. In other words, there are 71,621 positions that could be filled by native citizens. We are not demanding the immediate replacement of foreigner workers by citizens, but there must be integral planning and studies to balance needs and train citizens so they can take these places occupied by foreigners, especially if these positions require experience, training and the ideal use of the society's resources the method of growth planning."

'Isa Sanad, an expert at the Fisheries Administration, adds:

"Through statistics and reports we have been able to make a complete survey of fishermen in the fishing sector regarding their concentration, knowing the annual consumption of fish resources, quantities imported and exported, and determining the percentages of the domestic and foreign labor force represented in the fishing sector. The results show that there is only a small number of foreign workers in this sector."

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CSO: 4404/361

BAHRAIN

TELECOMMUNICATIONS COMPANY REPORTS GROWTH

Manama AL-BAHRAYN in Arabic 15 May 85 p 25

[Article: "Bahrain Telecommunications Company Achieves Excellent Performance in 1984"]

[Text] The Bahrain Telecommunications Company achieved growth of 10 percent in 1984, with sales of 48.3 million dinars, compared to 43.7 million dinars in 1983. This is the same percentage of growth that the company achieved in 1983 as compared to 1982. The company's annual report indicated this and pointed out that the company's net profit also increased to 23.9 million dinars as compared to 20 million dinars in 1982, an increase of 19.5 percent.

In examining the company's efforts to develop its services on the local, regional and international levels, the report pointed out that the company is now working to raise the level of communications with Cooperation Council states through its basic projects. Among them are the sea cable connecting the Emirates, Qatar, Saudi Arabia and soon Kuwait. Work is now in progress on a similar connection by way of the Bahrain - Saudi Arabia bridge.

The company is also the first to achieve the construction of a station for earth-satellite communications to strengthen future communications with all Arab countries. At the local level, growth continues in most areas, with an increase in the number of telephones from 98,030 to 10,839 [as published], an increase of 10.5 percent and an increase in the number of telex subscribers from 1,936 to 2,058 (6.3 percent). International telephone traffic rose by 25 percent and telex traffic by 4.7 percent.

Telegraph traffic, on the other hand, saw a decrease from 1982.

Last year saw an important occasion, with the 21st anniversary of the introduction of telex service in Bahrain, and the company celebrated the installment of the 2,000th telex, the 100,000th telephone and the opening of the new al-'Awala exchange in the long distance units division. The "City Business" system for financial transactions was put into operation for the first time. This is a system that operates exclusively by computer.

In the area of personnel, the report indicated that the number of bank employees, including trainees, through 1984 was 1,979. Forty-five employees were sent abroad to attend courses, of which 15 went for advanced studies.

Twelve employees took advantage of the company's housing program through 1984, for which 223,770 dinars were appropriated.

12727

CSO: 4404/361

LEBANON

BATTLES IN SOUTH LEAD TO POPULATION SHIFT

Beirut AN-NAHAR ARAB REPORT & MEMO in English 6 May 85 pp 2-3

[Text]

The bloody spate of sectarian fighting in South Lebanon over the last few weeks is cause for optimism. At least that is the consensus among observers of the Lebanese political scene. The month-long communal clashes and the ensuing population movements have restored the balance of power among the Lebanese sectarian communities, they argue. A bonus is that both Israeli and Syrian interests have been served by the actions of their Lebanese proxies, who now have well-defined territorial power bases in various areas of Lebanon.

The Israelis have reportedly been intent on seeing the creation of a Christian enclave within their 15-mile security zone, which would act as a human buffer between its northern border and the mainly Shiite community of South Lebanon. It is widely believed that they used the Lebanese Forces, now headed by the leader of the Christian rebellion, Samir Geagea, as a vehicle to achieve that goal. That could explain why the Lebanese Forces initiated a losing battle, by shelling predominantly Muslim Sidon on March 19th, and then withdrew suddenly leaving defenceless Christian civilians with little choice but to retreat alongside. That belief is buttressed by reports from Southern Christian villagers. As early as April 10th (long before the Lebanese Forces' withdrawal) a young Christian resident of Mieh Mieh told *An-Nahar Arab Report & MEMO* that he had decided against staying to defend his village because "we were told in no uncertain terms that it would be useless since the political decision was against us".

Syria's policy in Lebanon, on the other hand, has consistently called for the balancing of the main contending forces. Both in 1976 and 1978, the Syrians intervened directly, first on the side of the Christians then on the side of the Muslim forces, to prevent their respective defeats at the hands of the ascending

internal power. For the moment, this policy happens to coincide with the interests of the Druze and Shiite communities, who have long maintained that the Israeli invasion of Lebanon in 1982 skewed the internal balance of power in favour of the Christians.

The withdrawal of the Israelis from South Lebanon provided the opportunity to reshape the communal map of the area. The process began on March 19th when the Lebanese Forces began shelling the Muslim quarters of Sidon and neighbouring Palestinian refugee camps. While Sidon's Muslim inhabitants fled north, Christian civilians headed east towards the Christian Southern stronghold of Jezzine and the Southern borders. The shelling of Sidon ended as arbitrarily as it had started, when the Lebanese Forces unilaterally implemented a cease-fire on April 22nd. The overrunning of Christian villages by Muslims and Palestinians seeking revenge following the Lebanese Forces' withdrawal swelled the ranks of the fleeing Christians. By April 28th, when the Druze Progressive Socialist forces stepped in and took over the Christian-held port of Jiyeh (thereby cutting off the southern Lebanese Christians from the north) more than 50,000 Christians had made their way to Jezzine.

Whatever the real motives of the Lebanese Forces, the developments on the ground in the South have effectively led to a population redistribution that is quasi-irreversible. Based on the precedent set during the 1983 mountain war when communal fighting resulted in similar population movements, it is unlikely that the bulk of the displaced Christian refugees will elect to return to their homes now under control of Shiite and Druze forces. This despite assurances by Druze leader Walid Jumblatt and Shiite leader Nabih Berri that their security would be guaranteed.

Those assurances were made on May 2nd in a 4-point plan proposed by Messrs Berri and Jumblatt to end the civil strife in the South. It calls for the withdrawal of the Israeli-supported South Lebanon Army from the Jezzine region and deployment of the Lebanese Army's Syrian-trained 1st Brigade in and around the city. It also calls for deployment of the army's 12th Brigade (which is predominantly Muslim) along the Beirut-Sidon coastal highway, now controlled by Muslim militias. The last point deals with the security situation in Beirut where clashes across the Green dividing line have resumed in the last week. Under the proposal, a cease-fire would go into effect in the capital and a security committee representing the army and the major warring factions would be set up to oversee the dismantling of the dividing line.

For the time being, there is little chance that the plan will be agreed upon as the South Lebanese Army, headed by General Antoine Lahd, has refused to withdraw from Jezzine. In the meantime, fighting continues just outside Jezzine as Christians try to stop the advance of the Muslim and Druze forces (who have promised not to overrun the city itself).

Whatever the outcome of the face-off it is certain that the process of cantonization of the various communities in Lebanon is being consolidated. Despite claims to the contrary, cantonization is increasingly being seen as the ultimate solution to Lebanon's civil war. Public resistance at the national level to de-jure cantonization will probably continue but it has long been pre-empted by developments on the ground. For it has become increasingly clear to most Lebanese that, after 10 years of civil strife and bloodshed, they have lost their ability or willingness to compromise in order to co-exist. Allowing each community to live within a well-defined territory is presumably seen as the most suitable answer for the time being.

Further population resettlement is needed, however, before the de-facto cantonization of Lebanon is complete. That, in itself, means that further communal violence is to be expected, in the south, north and around Tripoli. Thus Lebanon has by no means come to the end of its plight. Last week's events were one more phase in a process that is likely to take years. But if those who see grounds for optimism in the outcome of this latest round of fighting in the South are right, and if the interests of Israel and Syria continue to converge in Lebanon, the restoration of the balance among the various Lebanese communities may well be the beginning of the end.

CSO: 4400/192

LEBANON

GEOLOGIST SEES PROSPECTS FOR OIL EXPLORATION

Beirut AN-NAHAR ARAB REPORT & MEMO in English 27 May 85 pp 3-4

[Text]

The intriguing prospect that Lebanon, too, might become an oil-producing country has been raised several times in the past. But, the apparent uncertainty of commercial success and the 10-year civil war have discouraged exploration. However, as Dr Ziad Beydoun, a leading geologist at the American University of Beirut, explained to **Randa Takied-dine**, there are reasons for taking Lebanon's oil prospects seriously.

Some parts of Lebanon are geologically very similar to Syria. But while Syria has found oil, Lebanon has found none. Why is this?

We have done very little exploration in Lebanon compared to Syria. We have sunk only six wells, none of which penetrated a formation that was not already exposed to the surface. All these formations are subject to surface-water flushing. We need to go to deeper formations, about which nothing is known. The only way we can currently judge what might be there, is by comparing outcrops with adjacent sites in Jordan and Syria. The nearest oil and gas discovery is just south-east of Homs [in Syria] in the Sharifi structure worked by Marathon in 1982. It lies in a section of carbonate below evaporite and these evaporites more than likely extend into Lebanon. We have circumstantial evidence that something similar to these may be found in Lebanon. There are also evaporites of the same age on the eastern side of the Jordan valley. The likelihood of their extending under Lebanon is highly probable. These evaporites would form a good seal isolate preventing surface water entering and degrading hydrocarbon reservoirs below.

Considering the small potential, would the investment be worth it?

Undoubtedly. Any hydrocarbon discoveries which allowed Lebanon to become even partially self-

sufficient would save an enormous amount of foreign exchange. We currently run an enormous deficit in the amount of oil we import for refining. There is a possibility that any hydrocarbons we find would be in the form of gas. But, even so, we could use gas for power-generation or for local industrialisation.

But before we do any drilling what we need is a thorough geophysical survey and mapping of the country. Gravity surveys have been done and these have revealed the overall deep structure. But this is not enough to drill on. Seismic mapping has been done in patches. But this was way back in the 1960s and was of poor quality. Seismic technology and processing have improved tremendously in the past decade. I'm sure that if we looked, at least in the most promising areas, such as the central uplift of the Bekaa depression, for deep structure, we may come up with interesting results upon which to decide where the first exploration tests should be.

Why has nobody thought of doing this until now?

Largely because there is no state organisation responsible for this. In all other countries, there is a ministry for oil with an appropriate infrastructure. We don't have anybody. The people in Lebanon's ministry of oil and industry, the technical people, are engineers. Petroleum engineers are needed only after the discovery, not in the initial exploratory stage. Secondly, most of the country has been taken over by local companies, mainly speculative enterprises who just wanted a share from any foreign company which came in. Thirdly, there is a complete lack of appreciation of what is involved in an oil-exploration venture. The amounts of capital needed can be tremendous and the risk is high. But, if there is success, the rewards are also tremendous.

In the current circumstances, in which the Lebanese economy is sinking, can we afford this?

It does not have to be the state that does it. But the state must make the climate sufficiently attractive to encourage foreign companies to come to Lebanon. Unfortunately, given the security situation, I cannot see any foreign company venturing into Lebanon. But should things return to normal soon, the state must put its house in order, clean up the mess and invite bids, as they were about to do in 1975.

How do you provide these incentives to foreign companies?

If the current trend in agreements is towards production-sharing, this will have to be followed. At least, make the terms as generous as possible. Impose reasonable working obligations and expenditure and allow for a reasonable return on investment.

But would they be interested in the small potential?

There was interest in 1974, offshore in the north of the country. As for onshore: the Rumanians came in 1974, interested in the Bekaa valley. But after a study of the surface geology, they decided that the stratigraphic section was poor in potential. But this, I repeat, was only the exposed section. We don't know what is below. There are probably some 2,000 to 3,000 metres of unknown sedimentary section, some of which would certainly be very similar to the Homs region, where gas was discovered. A lot of the surface exposures in Lebanon are limestone, which give poor seismic results. But, as I said, seismic techniques have improved tremendously in the last decade.

Apart from the small potential, wouldn't the depressed international oil market also discourage exploration companies?

Take Turkey. Turkey has only very small potential, despite its size, and this is concentrated in the south-east. Yet, over the years, companies have been and gone and still find it worthwhile, even with the generally small production — which is something like 30 fields producing 7,000 b/d. At the moment, average production is not more than 1,000 b/d, but that is still a commercial proposition. Shell has been established there for a long time and Amoco is going to Turkey.

With the recent discovery of oil in Jordan, which was thought to have very little potential in comparison with Lebanon, virtually every Arab country — except Lebanon — has some form of oil production because enough has been done. In Lebanon, we have not done it. The last two wells drilled in the Bekaa went to a maximum depth of 1,500 metres. That was in 1963. I have been following this issue since then, and I am convinced that the prospects are certainly worth a lot more effort than has so far been spent.

CSD: 4400/193

LEBANON

BRIEFS

FOREIGN BANKS LEAVE BEIRUT--Two foreign banks have sold their Beirut branches to local concerns, offering fresh evidence of the capital's decline as an international financial centre. The first sale is of Toronto-based Bank of Nova Scotia's branch to Banque Libano-Francaise. The Canadian bank paid £ Leb 12 million (\$725,000) in provisions for loans and advances of about £ Leb 50 million (\$3 million), according to the sale's terms. The second sale--of two branches of the UK's Standard Chartered Bank--is subject to some confusion. The buyer is Bank Al-Mashrek, a subsidiary of the part state-owned banking concern Intra Investment Company. The deal has yet to be finalised and no details of the proposed transaction have been disclosed. However, the British staff have left, and two Bank Al-Mashrek officials have been appointed to take over the branches. Branch staff have refused to hand over documents as they say Standard Chartered has failed to notify employees about their future. The staff have been supported in their action by the bank employees' union. [Text] [London MEED in English 17 May 85 p 30]

CSO: 4400/192

OMAN

NEW OIL FIELD STARTS PRODUCTION

Dubayy KHALEEJ TIMES in English 30 Jun 85 p 13

[Text]

MUSCAT—Oil production from the Nimr field, the vast concession held by Petroleum Development Oman, will begin shortly. It is one of the biggest oilfields in the Gulf region.

According to a source at the Petroleum and Minerals Ministry, full development of the field will take several years, which involves drilling of 3,000 wells and installation of hundreds of 'nodding donkey' beam pumps.

Recently, a nearby field of Nimr, Karim West, in the south Oman region, commenced production. Four gathering stations have been set up, one at Karim West and three at Nimr.

The yields from the fields would be relayed to a production station at Nimr, close to the main south-north pipeline which takes crude to the export terminal at Mina Al Fahal in the Muscat suburb.

The PDO, wherein the Oman Government holds 60 per cent shares along with Shell (34 per cent), CFP France (four per cent), Partex (two per cent), has a concession spanning 129,500 sq.km. and accounts for the bulk of the Sultanate's oil production.

Later this year, the PDO plans to bring in one more rig, and another early next year. According to a local periodical, which quotes PDO's technical director Mike Pink, the drilling projects are aimed at both raising production and establishing the potential.

A study is on to monitor the potential of areas which were once considered uneconomical.

The PDO is also stepping up activities in the non-associated gas sector. The flaring of associated gas is to be stopped by 1988 and recovery of natural gas liquids maximised.

Associated gas is used for generating more oil from fields and to optimise saving of non-associated gas.

CSO: 4400/194

24 July 1985

PALESTINIAN AFFAIRS

COMMANDER DISCUSSES PLA SOCIAL, MILITARY ROLES

Riyadh AL-YAMAMAH in Arabic 15 May 85 pp 34-35

[Interview with Muhammad Tariq al-Khadra', Palestine Liberation Army chief of staff, by Khalil al-Taqi; date and place not specified]

[Text] The high leadership position enjoyed by Staff Gen Muhammad Tariq al-Khadra' as chief of staff of the PLA in Syria puts him in the thick of things without the loss of an accurate, broad perspective, either at the Palestinian or at the Arab level. This is reflected, for better or worse, at the level of the national Palestinian struggle or at the international level. An interview with Gen Muhammad Tariq al-Khadra' thus acquires a special character and meaning.

[Question] First of all, we should trace the stages of development of the PLA from its founding through the history of its struggles. Would you give us an idea of that?

[Answer] After its founding on 10 September 1964, the PLA was not able to expand to many Arab countries for a number of reasons. Still, it was founded quickly and effectively in three Arab countries: Syria, Egypt and Iraq. Its founding encountered many difficulties due to the positions of certain Arab countries, but this army was able to overcome all the obstacles placed before it thanks to Arab powers that were generous with material and military assistance. These countries cleared the way for the people of this army to conduct the training necessary and gave them all the consideration and support they needed. Syria was the lung by which the PLA was able to breathe, growing and developing in its embrace, and it still finds in the Syrian military institutes and colleges a hospitable place to graduate its military and technical cadres.

The PLA has gone through stages and developments that were therefore a reflection of developments in the international and Arab situation.

The first stage, from the year it was founded until the June 1967 War, was the period in which the army was formed and built, in the midst of an Arab situation marked by relations of conflict, tension and divisiveness. The second stage, from 1967 to 1970, is that during which the Palestinian issue was affected by the political and military defeat suffered by the Arab people.

Despite this, the PLA was able to overcome the psychological collapse that had afflicted the Arabs generally, and the Palestinians in particular. They did this by undertaking the risks of guerilla warfare and by forming the Popular Liberation Forces, which participated in the celebrated Battle of Honor on 21 March 1968. This stage also saw the sad events of September 1970 in Jordan, the results of which included a setback in guerilla operations and the closing of Jordan's front with the Israeli enemy.

The third stage, which continues today, is the stage that has seen the emergence of a Palestinian role that has been effective in political, military and social contexts, at the Palestinian, Arab and international levels. During this stage, the PLA has been able to overcome the crisis that came close to threatening its very existence. It participated in the glorious liberation war of October 1973, playing a role in mobilization through the vocational training centers it had set up for all Palestinians.

The PLA also helped to protect our people and camps in Lebanon throughout the bloody events that shook it and had the honor of participating in the defense of Lebanon and the Palestinians during the Zionist invasion on 4 June 1982.

[Question] In view of the present difficult circumstances of the Arabs and Palestinians, what defensive duties is the PLA assuming?

[Answer] The PLA - the army of the PLO, the army of the entire Palestinian people, the army of national unity - will remain loyal, trustworthy and faithful to the rights of our people and will not stray one inch from its duties to the national struggle or from its revolutionary task, which can be defined in view of the present circumstances on the following principles:

First, continuing and untiring efforts to establish the slogan of the PLO and the goals of our people for national unity, national mobilization and liberation.

Second, preservation of the PLO charter and the consequent affirmation of the need for earnest efforts on the part of all loyal Palestinian nationalist groups to preserve the PLO in its revolutionary nationalist context, based on the charter and the resolutions of successive National Councils.

Third, preservation of Palestinian decision-making, decision-making for revolutionary struggle, and refusal of all policies leading to the acceptance of surrender and diversion of the struggles of our people from their right and true path and defiance of all attempts to divert the PLO from its plan of struggle and liberation.

Fourth, loyalty to our righteous martyrs, whose pure blood illuminates our course of long struggle to achieve our nationalistic goals, and the crystallization of the legitimate rights of the Palestinian people on their national soil.

[Question] What role did the PLA play in Lebanon?

[Answer] The PLA had the honor of joining the Syrian armed forces, the courageous national Lebanese forces and the sons of our heroic Palestinian Arab people in the battle against the racist Zionist enemy during the criminal and barbaric invasion of our brother state, Lebanon. It has contributed many righteous martyrs and still resists, every day presenting a great model of courage and heroism.

The PLA in Lebanon also had an honorable role in solving the Lebanese crisis and stopping the bloody conflict. Our army entered Lebanon side by side with the Syrian forces to stop the bloodbath, to preserve the unity of Lebanon as a land and a people, to prevent its partition, to defend the Palestinian revolution there and to defend the camps of our Palestinian Arab people. The PLA in Lebanon continues to carry out its nationalist and patriotic duties.

The resistance of our army, the PLA, in Lebanon, in the face of defeatists, isolationists, agents, renegades and proponents of partition attests to the same heroism that is acknowledged by friend, brother and enemy alike. It shows its courageous stand to protect our Palestinian Arab people in their camps in Lebanon, to support the Palestinian resistance and presence there, to maintain the unity of Lebanon as a land and a people, to prevent imperialism and Zionism from imposing a situation favorable to it upon Lebanese land, with a view toward expanding and infiltrating other Arab countries to prepare the way for control over the resources of our Arab homeland.

[Question] In addition to the fighting duties incumbent upon Arab armies generally and the PLA in particular, what is the social role of the PLA?

[Answer] The social role of the PLA is represented in the establishment of vocational centers to train and educate the daughters and sisters of martyrs so that they can have a respectable life and to give them a preparation that will assure that they will walk the path of their fathers, who went as torches on the path of liberation, and to propagate nationalist consciousness and the high spirit of struggle in their hearts. This is how we strengthen the resistance of our Palestinian Arab people and its resources. This is only a portion of the national obligation toward the families of martyrs who have given Palestine that which is most dear to them, their sons, the apple of their eye, on the road to struggle and liberation.

On this basis, the PLA has set up a number of facilities and vocational centers, including:

1. The vocational center named after the martyr Shadiyah Abu Ghazzala is under the Department of Social Affairs of the PLA. It specializes in training the daughters and sisters of martyrs in the manufacture of hand-woven carpets. This center was founded on the first anniversary of the celebrations of our Arab people of the glorious Ramadan war of liberation, on 6 October 1974.
2. The center named after the martyr Hilwah Zaydan is involved in setting up courses to teach sewing, embroidery and different kinds of needlework and

reviving the Palestinian folk heritage. It is also concerned with setting up different courses of instruction for preparatory and secondary studies. Preference in enrollment in these courses is given to the daughters and sisters of martyrs.

The PLA, through the Department of Social Affairs, is continually working to revive the Palestinian folk heritage, including Palestinian folk costumes. The Department of Social Affairs of the PLA strives to work with cloth, any cloth, so that it might subsequently become Palestinian cloth bearing the face of Palestine and the smell of its soil and sand. We are not exaggerating to say that this work with folklore is no less important than bullets because both bullets and Palestinian garb are elements in the fight aimed at the heart of the enemy. Neither is less important than the other in the danger it poses to the enemy. They are twins in the dedication of the Palestinian personality that battles the conspiracies that are being plotted to destroy it.

Despite the possibilities of the PLA, it has not forgotten to set up medical facilities to provide medical services to the masses of our Palestinian Arab people in a number of its locations. In al-Yarmuk camp in Damascus, the PLA established the Maj Muhammad Fa'iz Halawa Hospital, and before that the Raja' Abu 'Amasha Clinic. In the Khan al-Shaykh camp near Damascus, the PLA established the 'Abd-al-Qadir al-Husayni Clinic, and the Ahmad Abu 'Umar Clinic in the Jaramanah camp.

The Muhammad Fa'iz Halawa Hospital is considered the biggest medical establishment in al-Yarmuk camp in size and technical facilities and services. Indeed, it is the only hospital in this camp, which includes a large number of sons of our Palestinian people. This hospital was given this name as a memorial to the martyr Maj Fa'iz Halawa, a PLA officer who was killed at Tall al-Shahm during the honorable and glorious Ramadan war of liberation.

[Question] How would you evaluate the role of the PLA with respect to realizing and supporting the unity of the brave Palestinian revolutionary groups?

[Answer] The PLA has been able to carry out numerous heroic actions within a short time and has been able to assert its presence forcefully at both the Arab and the international level. This army has inspired the nationalist dimensions and horizons of the Palestinian struggle, worked hard for the unity of the resistance groups and planned military operations with them. In the "Green Belt" battle, al-Qadisiyah forces joined with the Popular Liberation Forces of the PLA and Palestinian resistance groups in a living exemplification of the unity of the resistance.

The important step by the PLA to translate this desire was its formation in 1967 of semi-regular forces in Jordan under the name of Popular Liberation Forces, which found help and support from the forces of Hittin, 'Ayn Jalut and the troops of the Palestinian Arab people. These forces proved their high fighting potential during the battle of al-Karamah on 21 March 1968 in cooperation with resistance forces. The leadership of the PLA also desired to coordinate with the other Arab armies that waged battles against the Zionist enemy and our forces worked to supply the general line of all the armies of

the defending countries. It participated in the June War of 1967 and the glorious liberation war of October 1973. It waged a defensive war against the forces of the Zionist enemy on Lebanese territory in June 1982 side by side with its brothers-in-arms in the courageous Syrian Arab armed forces, the nationalist Lebanese forces, the groups of the Palestinian Revolution and the sons of our Palestinian and Lebanese Arab people. In all the battles waged by our forces, they showed great heroism and sacrifice.

[Question] Solidarity in battle between the Palestinian and Syrian revolutions is a theory presented by all revolutionary groups. What is the role of the PLA in realizing that desired solidarity?

[Answer] In the difficult trials and tortuous paths of destiny, there is nothing that could be called "compromise" or "gray color" or "taking an objective stance."

And if someone claims that there must be tactics, it should never be at the expense of strategy.

Revolutionary tactics lead automatically to a revolutionary strategy and revolutionary strategy imposes tactics that do not contradict it.

Clarity of goal brings you halfway to reaching the goal. When our masses affirmed that their goal was Palestine, they did not abandon the method, forms or programs to arrive at that goal. They kept a grip on their rifles, maintained their will and baptized with blood the land of their revolution, which has produced victory after victory. They have not swerved from the path of liberation or replaced it with partial measures or distinguished between the primary and the secondary in their revolutionary feeling, the struggles they have experienced and their understanding of the nature of the conflict and its balances. Our masses have defined their battle and conducted this battle and continue to do so.

The PLA will not abandon its role in the struggle as an army for Palestine, for Palestinian national unity and for the PLO, the sole legitimate representative of the Palestinian people and our Palestinian land, the unity of which is made secure by the unity of the people, the unity of the leadership and the unity of the guns that protect the unity of the people and the land together.

The interplay of our nationalist Palestinian role, as the army of national unity, with our nationalist Arab role as part of the pan-Arab struggle should strengthen the solidarity of the struggle. We in the PLA are working to solidify the supports of this solidarity on a firm foundation, the land of battle and struggle, the land of revolution and heroic action.

[Question] The blows of the Lebanese nationalist resistance have demonstrated their use, power and effectiveness on the scene. How would you evaluate these magnificent operations?

[Answer] The nationalist Lebanese resistance and its operations are a great lesson for proponents of a false peace. The equalization achieved by the Lebanese nationalist resistance is sure to be yet another torch that our homeland has lit on the paths of liberation and struggle.

SAUDI ARABIA

DEPUTY MINISTER DISCUSSES SOCIAL WELFARE PROGRAMS

London AL-MAJALLAH in Arabic 29 May - 4 Jun 85 pp 56-61

[Interview with Prince Fahd ibn Sultan ibn 'Abd- al-'Aziz, deputy minister for social welfare, by 'Abd- al-Mun'im al-Ishnayhi; date and place not specified]

[Text] The progress and advancement of peoples are measured by the care and services provided by the state to its sons. Perhaps the Saudi state's unlimited munificence to its citizens, a product of its Islamic faith (which believes that social welfare is a right and guarantee for every citizen), translates this desire and goal, for in each of the four development plans, tens of billions of riyals have been appropriated for this purpose. But the most significant thing is really the rise in the scope of the care and services applying to the citizen in light of the prevailing economic circumstances now. This aspect has not been affected as is the case in many countries.

The social welfare sector, which is under the Saudi Ministry of Labor and Social Affairs, has received considerable attention from the government of King Fahd ibn 'Abd-al-'Aziz. This is evidenced in the establishment of different organizations everywhere in the vast country. Comprehensive social projects have been created to take care of children, the handicapped, the elderly and certain special groups. They have been equipped with scientific equipment and methods as well as experts and technicians trained to satisfy every group in this society in view of the social integration mandated by the true Islamic religion.

Concerning these services and other things provided by Saudi Arabia to different groups of citizens, AL-MAJALLAH conducted this comprehensive and multi-faceted interview with Prince Fahd ibn Sultan ibn 'Abd-al-'Aziz, deputy minister of labor and social affairs for social welfare.

The first question that we posed to Prince Fahd ibn Sultan ibn 'Abd-al-'Aziz was the following:

[Question] Given that societies are sometimes subject to social changes arising from a development in economic levels and standards of living, to what extent have the agencies for social welfare been able to keep up with this development and with new social developments in society?

[Answer] Social welfare services in Saudi Arabian society have developed tremendously in the last 10 years to keep up with the enormous economic development that the country has witnessed during this period in order to realize the social equilibrium that is consistent with the economic environment and to deal with the undesirable social effects that have accompanied the rise in the standard of living for families and individuals. This is why social welfare services and activities have multiplied and their coverage has spread to include all groups in society exposed to certain social, financial, health or personal problems who have been unable to face and solve them relying on their own resources. Social welfare services are no longer limited to the welfare of children in special circumstances, the upbringing of orphans or the care of the elderly. They have been extended to deal with new problems that have affected society that involve family dissolution, juvenile delinquency and an increase in the percentage of handicapped people as a result of car accidents and job-related or other accidents. Diverse agencies are responsible for providing the care consistent with these new developments, so that we now have 19 houses and establishments for the care of orphans, 3 houses for the upbringing of children in special circumstances, 5 houses for the care of juvenile delinquent boys and 4 institutions for girls, 6 for the supervision and rehabilitation of youths who have committed acts punishable by law, 7 houses for the care of the elderly, 2 establishments to care for paralyzed children, 5 centers for training the handicapped, 3 centers for the severely handicapped, 2 centers for comprehensive handicapped training, 3 offices for social supervision of women and 12 offices for the campaign against begging.

The growth of social welfare services has not been limited to increasing the number of institutions and centers in response to the increasing needs of the citizens. This growth has extended to include methods of operation, programs and training of those working in this area. This is in the comprehensive context of cooperation and planning among all ministries and agencies that are involved in new developments affecting society.

[Question] Have these ambitious social welfare programs and services been affected by the drop in oil revenues?

[Answer] Social welfare programs and services are among those matters that receive special attention from the king personally, from the crown prince, from the second deputy prime minister and the government. For this reason, the programs and services administered by the deputy minister's office have not been affected by the drop in oil revenues. Services continue to expand and welfare programs are carried out according to plan to provide for all the services that the citizens need. Welfare coverage is extended to cover everyone, since the state and all its officials and agencies look especially carefully at the social services that have a direct effect on citizens, and give them every attention.

[Question] What role does social welfare play in promoting and supporting charitable organizations in the kingdom?

[Answer] Charitable organizations in the kingdom have an active and tangible role in supporting the social welfare services for which the office of deputy

minister has responsibility, in affirmation of the social solidarity brought by our true Islamic religion, calling on the strong to take the hand of the weak and obliging the rich to be charitable to the poor in support of the bonds among individuals in society. For this reason, this office has been especially concerned with encouraging the establishment of charitable organizations and is very eager to provide every financial and technical assistance to provide more social welfare services to its citizens in their local surroundings. In order to work to raise the social and economic standard of the residents of the areas that they serve, and in order to explain the big role that these organizations play in serving the citizens by coordinating with this office and under its supervision, we are pleased to present some matters that many people may not know about these organizations. Ten years ago there were 16 organizations, of which 5 were women's organizations. Now they number 81, of which 16 are women's organizations. The number of members 10 years ago was about 5,000 and the number of women that were members of the women's organizations was no more than 300. Now, the number of members in these organizations is about 20,000, of which approximately 5,000 are women. It is sufficient to point out that these organizations have spent close to a billion riyals in the past 10 years on services to citizens. These services include childcare, sports for children, day-care centers, children's homes and playgrounds. In the area of education, they have classes to fight illiteracy and for memorizing the Holy Koran. They teach women how to type, give classes for improving one's command of foreign languages, train women in making clothes, sewing and household management. These organizations also take care of the elderly and the handicapped and work to build and improve low-income housing, to build housing, to take care of public facilities, to provide financial and material assistance to the needy and to establish and administer clinics. They also sponsor cultural and recreational activities, lectures and other things.

Without any doubt, the factor behind this great growth is the support provided by the state to these organizations. Cabinet decree No 610, dated 13/5/1395 A.H. [24 May 1975] issued an order granting subsidies to charitable organizations and provided for the disbursement of annual cash and start-up subsidies to help the organizations carry out their projects. In addition, there is the start-up assistance given to every organization after it has been registered with the deputy minister's office and the material and technical assistance that the office gives to these organizations. The total yearly assistance disbursed by the deputy minister's office before the promulgation of the aforementioned order was not more than 450,000 riyals per year. It then started to increase year after year, to reach 60 million riyals this year.

[Question] Do you think that the women's organizations in the kingdom are more energetic and active than other organizations, and if so, why?

[Answer] It might be true to a certain extent, though it does not negate the fact that many other organizations expend great efforts and engage in a multitude of activities in different areas. Perhaps the prominence of the activities of the women's organizations is a result of the large amount of time and the continuous effort spent by officials and volunteers in these organizations. For our part, we encourage these efforts and support them in

that they are directed essentially toward serving women and children, because raising the level of Saudi women and educating them and dealing with the problems hampering them will have the effect of strengthening the pillars of the family and increasing the effectiveness of women in performing their basic duty, which is raising the new generation, who are the basis and the means for the country's resurgence. I also believe that the most important manifestation of the women's social activity is the honorable competition and rivalry for the sake of good that exists among the women's organizations. The press also has an important role in this in publishing news about these organizations and urging citizens to cooperate with them. There is no doubt that this is one of the good things that have been able to refute the lies and false claims that Saudi women have been ineffective in participating in the process of development. The activities and services presented by the Saudi women's organizations and the highlighting of their efforts in the press - all this has put the Saudi woman in her true place, which is distinguished from the activities of women in other countries, in that the Saudi woman has been able to prove to the whole world that adherence to her religion and maintaining her traditions do not prevent her from participating in service to her country to the same extent that women in other countries do, if indeed she has not surpassed them in many areas. This is something of which we are all proud and think very highly.

[Question] At the present time, the state is directing its attention to developing reliable national human resources, starting with the coming Fourth Plan. Does Social Welfare have a role in this process?

[Answer] Yes, Social Welfare does have a role in developing human resources, which represent one of the strategic goals in the Fourth Development Plan. For this reason, the social welfare plan for the coming 5 years includes a number of programs and projects that work toward achieving this goal. They include care for some of the groups included in the Social Welfare services and training so that they can be added to the stock of productive forces in society. Among these groups are the mildly handicapped, like single amputees, the deaf, the dumb and the blind. People like these can be retrained for trades and professions that are appropriate to the physical skills that they still have, preparing them to fill some of society's skilled labor needs. The same is true with respect to the care of youths in social correction houses, social supervision houses and institutions for the care of girls who have dropped out of school. The welfare plan provides for training them in certain trades and professions that will allow them to earn a living and to engage in activities that will bring some benefit to them and their country. This is in addition to the training that charitable organizations conduct for girls in perfecting foreign language skills, typing, teaching them the basics of making clothes and sewing and other skills that are appropriate to the nature of women and allow them use them to replace an imported work force in these skills. This is the primary focus of Social Welfare's participation in the development of human resources. The second focus is represented by developing the skills of employees in the deputy ministers' office through specialized training that will equip them to gradually replace other contractors. The third focus is represented by giving students in sociology and social service departments at universities practical training during their studies to prepare

them to apply their work in this office and its branches after graduation, in order to reduce the dependence on outside labor.

[Question] It is granted that Muslim Saudi women can play an important role in the area of social welfare, without any conflict with the values and traditions of Saudi society. In your conception, what is the role that they could play in this area?

[Answer] It is no longer a question of what role women could play in the area of social welfare. We have gone beyond the stage of conceptions to one of a reality that is now tangible and visible. Suffice it to point out to you and to the readers that all of the supervisory offices and women's social houses and institutions under the deputy minister's office are currently directed with a high degree of specialization and experience by the best Saudi women graduates with the highest qualifications in sociology and social services. Their work represents a distinguished example for the deputy minister's office. I would like you and everyone else to know that in all branches of the deputy minister's office and in the offices for women's supervision under its jurisdiction, all positions for women social scientists and psychologists are now occupied by Saudi women who have graduated from universities and higher institutes and are specialists in this field. The number of non-Saudi women on contract as sociologists and psychologists in all branches of this office can be counted on the fingers of two hands. In the very near future, God willing, this office will celebrate the "Saudiization" of its last social or psychological position. This is in regard to work being done by the government and by governmental institutions under this office. The picture is even more resplendent with regard to volunteer work in the area of social welfare and the important role played by Saudi women in serving society through women's charitable organizations. The efforts expended by these organizations is noticed and valued by everyone. If you want to know the facts about the distinguished situation of the participation of Saudi women, you have only to look at the daily newspapers and weekly magazines. In every issue you will read about all the new social programs and projects for the benefit of citizens in different local areas.

[Question] Is there a connection between the Deputy Minister's Office for Social Welfare and Saudi universities and research centers in terms of joint efforts, as for example, research into scientific facts that might serve the task of social welfare?

[Answer] Yes, there is a close connection and strong ties between this office and the different universities and research centers in the kingdom. Just as the science departments at these universities and centers are eager, for their part, to strengthen their ties with this office in order to become more acquainted with the practical applications of scientific theories, so this office is most eager to strengthen its ties with these scientific organizations in order to benefit from the results of research and studies conducted by them on different social phenomena. The experts under the deputy minister's office continually participate in research lectures and scientific conferences relating to their activities that are organized by universities and scientific centers, like social studies departments, centers for social service at the universities, the Arab Center for Safety Studies and Training,

the Center for Training and Applied Studies in al-Dir'iyah and others. We also offer every possible assistance to graduate students who take social institutions and houses as an area of applied study for their dissertations. We follow with great interest the results that they arrive at so that we might benefit from them.

[Question] Given that the United Nations has designated 1985 as the International Year of Youth, and since Social Welfare is concerned with special youth groups, like the handicapped, will the deputy minister's office be making contributions to these groups?

[Answer] Like any state organization of the Kingdom of Saudi Arabia, Social Welfare participates in different international events relating to its activities and to the groups it is involved in serving. This office has participated notably in marking the International Year of Children in 1979, as the agency responsible for the welfare of pre-school children, especially those who do not have good opportunities for a healthy upbringing in their natural families. It also marked the International Year of the Handicapped in 1981 by considerable effort to stimulate society's interest in this group and to integrate them into society. It ordered that a number of accommodations be made for them, which were carried out by state agencies. On the occasion of the International Year of the Elderly in 1982, this office also played a role in drawing attention to care of the elderly in its function as the primary agency responsible for their care.

This office is responsible for the care of many groups of young people, not just the handicapped, as you mentioned, but also the young people in different social institutions, whatever they might be called, for both young men and young women. Some of our institutions, like the Young Women's Welfare Organization, take care of young women up to the age of 30. In addition, there are many services, especially those offered by charitable and women's organizations. This is done by literacy courses, and courses to give young women a good preparation for their domestic responsibilities, for raising children and to increase their knowledge by training them in typing.

In the context of all these responsibilities, this office participated, through young handicapped people, in the artistic production exhibition organized by the International Movement Center in Bahrain. It also participated in a similar exhibition organized by the Qatar Red Crescent Society. It also participated in the Arab Athletic Championships for the Handicapped, which were held recently in the State of Kuwait. The kingdom's team won a number of gold, silver and bronze medals for victories in weightlifting, running and discus throwing. In addition, it has broadened athletic training and organized cultural competitions for handicapped and other groups of young people under the care of this office.

[Question] Could you give us a quick idea of the services or assistance given by your office to the handicapped in the kingdom?

[Answer] For more than 10 years, the kingdom has offered, and continues to offer, many services to a great number of handicapped groups. Among these services are those relating to giving them occupational training, or complete

social, psychological and medical care. These services also include yearly financial assistance given to certain of the families of the handicapped to lighten their burden and enable them to provide the appropriate level of care to these handicapped people. Those persons with limited handicaps and those who have lost a part of their bodily, sensory or mental capabilities as a result of birth defects, accident or illness, are given medical, sociological and psychological tests to retrain them for occupations that are appropriate to the capabilities that they are left with. They are trained for many occupations, like sewing, leather work, carving and ornamental work, appliance repair, office work, landscaping, etc. This is for the male handicapped. The female handicapped are trained in sewing, embroidery, and hand and machine knitting. We now have three centers for occupational training for males and one for females, to which another will be added this year. Approximately 400 handicapped persons have been given occupational training in these centers in the last 10 years. The training centers are involved in making employment opportunities available to those they have trained, either by getting them jobs in government or private agencies, or by giving them generous subsidies of 50,000 riyals per person to allow them to set up individual or cooperative production projects that will yield an appropriate profit from which they can make a living. The severely handicapped or the doubly disabled whose disabilities preclude their training are cared for through the three social rehabilitation centers that we now have in Riyadh, al-Madinah and al-Ahsa', in addition to what we have in the two comprehensive rehabilitation centers in Abha and al-Bukayriyah. These centers now comprise approximately 600 handicapped persons and offer every kind of medical care, physical therapy, social care, nutrition and recreation to ease their affliction as much as possible.

Given that the present centers cannot accommodate all of this category of handicapped, and until new centers are opened, this office provides financial assistance of up to 10,000 riyals per year for every handicapped person so that his family can care for him. Approximately 7,000 cases were given 65 million riyals in this kind of assistance in the last fiscal year, A.H. 1404-1405 [approx. A.D. 1984].

For paralyzed children between the ages of 3 and 15 years there are now two care institutions, one in Riyadh and the other in al-Ta'if, with a total of about 200 elementary school children. These institutions assume responsibility not only for educational care, but also for medical, sociological and psychological care - comprehensive care is provided in these two institutions. For paralyzed children who live with their families and cannot take advantage of the services of these two institutions because they live too far away, yearly subsidies of up to 10,000 riyals are given to each child. Approximately 2,400 cases were given 20 million riyals in this kind of assistance in the last fiscal year, A.H. 1404-1405.

[Question] Since the kingdom is a prominent member of the Gulf Cooperation Council, I think there is Saudi sentiment to promote this future cooperation in the area of social welfare. Might we know the indicators of this cooperation in this regard?

[Answer] There is no doubt that the experiment of the Cooperation Council of the Arab Gulf states is an experiment looking to direct sincere efforts, not only on the political level, but on different economic and social levels, to strengthen and solidify ties between brother states included in this council. Some of the activities whose effects and effectiveness have been shown include the specialized ministerial councils, among them the Council of Ministers of Labor and Social Affairs, which holds a meeting every year preceded by a meeting of the committee of experts in order to examine issues presented to it. The third annual meeting was held during the second week of the month of Sha'ban, A.H. 1405 [late April - early May 1985]. During the two previous annual meetings, this council was able to study and decide several important matters concerning mutual cooperation among the states of the region in the area of social welfare. The most important are:

- Standardization of designations, frameworks and jurisdictions relating to social agencies.
- Studying how to support social institutions and agencies with specialized national capabilities.
- Studying the situation and role of charitable organizations in the member states and suggestions for ways to develop them for effective participation in volunteer social work.
- Studying the situation of the elderly and the retired and the services offered them by the member states in preparation for implementing necessary plans to increase the programs and services made available to them.
- Organizing conferences and meetings among specialists from the council states in the different areas of social work in order to exchange information and experiences among themselves and to present successfully applied experiments for the benefit of the others.

[Question] You were chosen as vice president of the International Union of Child Welfare. It is clear that it is your personal efforts in addition, of course, to the support that the kingdom gives to Third World countries, that led to your nomination to hold this international office. Could you throw some light on what this union does, especially with respect to programs and projects relating specifically to social welfare in the Arab world?

[Answer] The International Union of Child Welfare is an international union comprising almost all the countries in the world, including the Arab countries. It plays a large and prominent role in the area of child welfare in the world and in helping organizations and governments, especially in Third World countries, to promote services provided to this group. This organization was founded more than 64 years ago. Saudi Arabia, given that it is the bearer of a comprehensive humanitarian message, was eager to join the world family in this work to achieve the peace and good that are called for in our Islamic religion. For this reason, the kingdom has given special support to this union since joining it in A.H. 1397 [A.D. 1977]. It used to contribute a yearly subsidy of 300,000 Swiss francs, which the king has agreed to raise to 500,000 francs. Of this sum, 150,000 francs are specified to

support the section dealing with Arab and African countries in the union's Technical Assistance Fund, 50,000 francs as a contribution toward covering the costs of projects decided upon by the Arab and African ministers of social affairs at the Bawundi conference, 50,000 francs to support the establishment of an Arab-African research center and 100,000 francs to promote the use of Arabic in new and different areas in the work of the union. My selection as vice president of this union is due to the international community's estimation and recognition of the efforts expended by the kingdom to support the activities of this union. All I ask for is that God give it success and let it be well thought of by all.

12727

CSO: 4404/356

SYRIA

BRIEFS

SOVIET TUPOLEV DELIVERY--National carrier Syrian Arab Airlines (Syrianar) has taken delivery of the last three Soviet-made Tupolev TU-154M airliners, director-general Adnan al-Jabi says (MEED 27:7:84). The first two TU-154s have been put into service on the Damascus-Moscow route; the third will fly between Damascus, Aleppo and Athens. Syrianair now has 15 airliners--including two Boeing 747s--flying to more than 30 destinations worldwide. [Text] [London MEED in English 17 May 85 p 41]

POWER STATION, PESTICIDE LOANS--Damascus--The Kuwait Fund for Arab Economic Development, (Kfaed) has signed two loans totalling KD8.9 million to help finance a power station, a pesticides project. Simultaneously a project agreement was signed between the Syrian electricity department and the Kfaed for the execution and operation of the Meherda power extension project. The loan accords were signed by Dr Sabah Bakjaji, Syria's Minister of State for Planning Affairs. The power station project agreement was signed on behalf of the Syrian Electricity Department by Rifat Idris, general manager. Faisal Al Khaled, director-general of Kfaed signed the power station and project accords. The KD7 million project aims to meet the increasing demand for electricity in Syria by installing two additional 165 mw steam units to Meherda steam power station. Total cost of the power projects is estimated at KD 58.621 million of which 11.9 percent is covered by Kfaed. The project will start this year and it is expected to be completed in 1987. The 20-year power project loan bears an annual interest of 3.5 percent, in addition to 0.5 percent per annum to cover administrative and other expenses incurred in the implementation of the loan agreement. The second KD1.9 million loan will help finance a joint venture pesticides project, between Syria and Jordan. The loan is guaranteed by the Syrian and Jordanian governments. The pesticides project loan agreement was signed by Mohammed Saqqaf, Chairman of the company. The guarantee agreements were signed by Dr Sabah Bakjaji, of Syria and by Dr Abdalla Nsour, Minister of Planning, on behalf of Jordan. Dr Mohammed Imady, chairman of the board of directors, signed the agreement on behalf of Kfaed. The 15-year pesticides loan bears an annual interest rate of six percent. The pesticides project is expected to be completed by the end of 1986. [Text] [Dubayy KHALEEJ TIMES in English 20 May 85 p 13]

CSO: 4400/192

UNITED ARAB EMIRATES

INCREASE IN TRADE EXPECTED TO CONTINUE

Dubayy KHALEEJ TIMES in English 30 Jun 85 p 13

[Text]

THERE has been an upswing in Dubai's trade since November last year and the increase is expected to continue for some time to come.

The increase has come after a period of steady decline and an erratic pattern in the outflow of goods.

These inferences are drawn from an analysis of certificates of origin for exports and re-exports issued by the Dubai chamber of commerce up to the end of May this year.

Ahmed Albanna, director of the chamber's commercial registration and documentation department, said the increase was highest in March.

"There was a big jump in certificates issued by us in March compared to February. The figure was also substantially higher in March this year than for the same month last year."

Certificates of origin from the chamber are necessary for all re-exports from Dubai as well as for exports other than to AGCC states. Movement of goods to AGCC members is handled by the Ministry of Economy and Commerce.

From a low level of 2,703 certificates of origin in November, the figure has been steadily going up reaching a high of 3,703 in March.

Although the number of certificates declined slightly in the next two months, it compared favourably with the corresponding period last year. The decline is indicative of an end to the business season which normally picks up again with the onset of winter.

A revival in business activity is forecast by the large number of new licences for business in the emirate and a high percentage of renewal of old licences.

Mr Albanna said 371 new licences were registered with the chamber between January and May this year. The demand for new licences despite the slump is said to be an indication of the continuing confidence in the commercial viability of Dubai.

During the five-month period, 3,33 licences were renewed by the chamber, more than half the number of renewals for the whole of last year.

Mr Albanna said more people, who had temporarily closed their businesses in view of the slump, were resuming their activity in Dubai.

The number of renewals and new licences resulted in a record rise in the chamber's membership. By the end of last month, the representative organisation of Dubai businessmen had a membership of 10,931 against the figure of 10,560 for the end of 1984.

CSO: 4400/194

RISE IN OIL PRODUCTS

Dubayy KHALEEJ TIMES in English 2 Jul 85 p 11

[Text]

THERE has been a substantial rise in the quantity of petroleum products of the AGCC states, including the UAE.

Experts believe that this rise coupled with the increase in the production of non-petroleum industrial goods could offset the balance of revenue that suffered due to the drop in the price of oil.

According to a study carried out by the Gulf Organisation for Industrial Consulting (GOIC) by the end of 1985, the production of petroleum products in the UAE is expected to reach a record 41.4 million tons.

There are about eight by-products produced at the refineries, besides fertilisers and other varieties of petroleum products.

The study reveals that the products derived from liquid gas will also amount to 8.2 million tons, another record output.

It is estimated that both these products would find profitable markets both in Europe and Asia, where the country is also selling its fertilisers.

Besides the petroleum and gas products, the output of aluminium has also substantially increased and accounts for 150,000 tons annually.

The country is capable of producing a vast range of products including

different kinds of oils, chemical salts, urea, pipes for use in mines, electric equipment, including cables, torches and both dry and liquid batteries.

Among the AGCC states, the Sultanate of Oman produces an appreciable amount of copper from its mines.

The study points out that with the development of the petrochemical industry, the UAE can reduce its reliance on oil revenue, and move ahead with its development projects, that have been hampered due to the reduction in the price of oil.

The Gulf study points out that one of the principal industries that could be jointly set up by the AGCC states in the near future would be to develop petroleum coke.

UAE, is reported to be inviting foreign investments as well as foreign expertise to develop the industry, which would provide the petrochemical industry a solid base.

The study also indicates that for such products, the local UAE market is too small. Feasibility studies in the context of external markets in cooperation with AGCC states should be carried out. Also, markets in other Arab states should be explored, to ensure the industry of its progress.

The pan-Gulf organisation is to undertake several advance feasibility studies on various industrial products, including the cheap production of petroleum coke.

CSO: 4400/194

24 July 1985

AFGHANISTAN

EIGHTY SOVIET, AFGHAN TROOPS REPORTEDLY KILLED BY MUJAHIDIN

Tehran TEHRAN TIMES in English 22 Jun 85 p 1

[Text] Mashhad, Khorassan (IRNA)--At least 80 Soviet and Kabul regime troops were killed and some other wounded last week when Afghan Moslem revolutionaries penetrated several bases of the Soviet forces of occupation and Kabul regime's in the city of Herat, reports reaching here indicate.

The Moslem revolutionaries, by digging for 16 hours managed to tunnel under the Shahzadeha, Lisemehri and Sharvali bases in the city of Herat where they planted explosives.

Six Moslem revolutionaries and a doctor working with them were martyred in these operations.

In another operation, the Soviet and Kabul regime's forces had one of their bases in the Kahan Governorate in Herat Province attacked by the Moslem revolutionaries resulting in the destruction of 19 tanks and the killing of their crews.

Earlier on Tuesday a dispatch from Peshawar, Pakistan said over 500 soldiers of the joint Soviet and Afghan state troops were killed or wounded and another 200 were taken captive by the Afghan Mujahideen in their attempt to break the siege of Abrikut Garrison in Konar Province over the past three weeks and quoted sources close to the Mujahideen in support of the report.

Also some 50 tanks, personnel carriers and vehicles belonging to the joint forces were destroyed while eyewitnesses said that two helicopters and one jet fighter of the forces were shot down by Mujahideen missiles, the report said.

CSO: 4600/502

24 July 1985

AFGHANISTAN

SOVIET-AFGHAN FORCES CRUSHED IN FAILED ASSAULT

Tehran KAYHAN INTERNATIONAL in English 24 Jun 85 p 1

[Text] Peshawar, Pakistan, Jun 23 (IRNA)--At least four hundred soldiers of the Joint Soviet-Afghan forces were killed in an unsuccessful attempt to break the Mujahideen's siege on the township of Zurmat near Gardiz, Pakistan this week.

Mujahideen sources here said 35 Afghan army tanks and personnel carriers of the joint forces were wrecked by the Mujahideen militants, while 200 government soldiers surrendered to the Mujahideen forces with their ammunition and weapons.

The township of Zurmat 15 kms from Gardiz in the center of Paktia Province in Afghanistan is under full siege of Muslim Mujahideen fighters.

Geneva Talks

In related news, the leader of Afghanistan's Islamic movement, Mawlavi Nassrullah Mansur, condemned the current Geneva talks between Afghanistan and Pakistan and said it had little effect upon the struggle of Muslim Mujahideen in the future. The Afghan religious leader who was talking to IRNA here said the Soviets and Mujahideen members, who are the two principal parties in the fighting have been excluded from the talks and added the Muslim Mujahideen of Afghanistan would lead their holy struggle to an eventual triumph.

Commenting on Washington-Moscow talks on the issue of Afghanistan, the Afghan religious leader said insofar as the outlook of the Muslim Mujahideen in Afghanistan was concerned, the people who were not believers belong to the community of non-believers and as such they were treated as enemies, whether they be Americans or Soviets or others.

CSO: 4600/514

INDIA

PRESS REPORTS PRC OFFER TO REOPEN LHASA CONSULATE

Correspondent on Prospects

Bombay THE TIMES OF INDIA in English 11 Jun 85 p 1

[Article by Subhash Chakravarti]

[Text] New Delhi, June 10--China obviously with an eye on making a dramatic impact on its current negotiations with India for improving relations, has invited India to reopen its consulate-general in Lhasa.

This latest significant signal from Beijing was officially conveyed to the ministry of external affairs about a fortnight ago when the Prime Minister, Mr Rajiv Gandhi, was in the Soviet Union.

Only Nepal has a consulate-general in the forbidden capital of Tibet and even occasional visits there by foreign diplomats from Beijing are strictly regulated by the Chinese foreign office.

In its latest proposal, China also invited India to reopen in Shanghai its consulate-general which, along with the one in Lhasa, was closed down in the wake of border conflict in 1962. China maintained two consulate-general establishments in India, one in Bombay and the other in Calcutta. Beijing obviously is keen on reopening these establishments as a reciprocal measure.

An Indian response to this important Chinese initiative cannot be made in isolation of its overall China policy. This is now being carefully reviewed, particularly in the context of the forthcoming official-level talks on the border dispute which is now recognised by both sides as a central issue in the bilateral relations. The next round of talks is likely to be held here in September.

In any event, the Chinese decision to let India have a diplomatic mission in Lhasa is thought to be a well-calculated plan to impress this country about Beijing according high priority to raising the level of relationship notwithstanding the border dispute.

China is also known to be keen on an early visit by the Prime Minister to Beijing.

Land Trade

A summit without preparing the ground could be counter-productive and, therefore, an early visit by the Prime Minister to Beijing can be ruled out. An Indian response to the latest Chinese proposal will largely be determined by the trends in the forthcoming talks which, for the first time, will seriously take up the border issue.

The proposal for the reopening of the Indian consulate-general in Lhasa is also linked with the reopening of the traditional land trade between Kalimpong and the Chumbey valley in Tibet. It favours China to discontinue its long haul from the north to keep the economy in Tibet going.

China is known to be keen on getting, as a short-term measure, building material and other essential commodities from India to hasten the process of economic development in Tibet. The economy in north Bengal and Sikkim stands to regain its old position once the land trade with Tibet is restored.

The exchanges recently made between the Prime Minister and the Chinese Premier, Mr Zhao Ziyang, gave sufficient indication about developing relations between India and China in the changed context. Mr Zhao Ziyang urged India to work with China to restore Sino-Indian relations to the warm friendship of the 1950s. He was confident that outstanding issues between the two countries could be resolved.

Mr Gandhi, in his reply, said: "It is our earnest hope that through our joint efforts, all outstanding problems between us can be resolved, consistent with the five principles of peaceful co-existence, thereby enabling our two peoples to resume and consolidate their long-standing historical ties."

While setting store by the complementarities of interests, a fresh look into the nature of the border dispute may be relevant to have an idea to what extent could the enormity of the problem be narrowed down.

In the eastern sector, Arunachal, India is in occupation of the complete territory up to the international border, except Thagla and Longiu. In the middle sector (Uttar Pradesh and Himachal), India is in occupation up to the so-called line of actual control, except for small pockets, which broadly coincides with the international border. They stand a fair chance for settlement through negotiations.

Border Issues

The dispute is wide in the western sector. The Chinese are in occupation of about 14,500 square miles of territory, which in India's reckoning belongs to this country. It is broadly described as Aksaichin, which can be further sub-divided into several components.

While it is hard to see China relinquishing its claim along the road linking Sinkiang with the Tibet region, it continues at the same time to occupy territory much larger than can be possibly justified in terms of its needs. China must be prepared to discuss this dispute in a totality instead of offering the package as a bait for strengthening its bargaining position appearing relatively soft on the eastern sector to justify its full claim in the western sector.

If the Chinese want India to consider their strategic interests then they should be equally willing during the negotiations to show sensitivity to the Indian interests.

Analyst Discusses Problems

Madras THE HINDU in English 12 Jun 85 p 1

[Article by G.K. Reddy]

[Text]

NEW DELHI, June 11.

The Chinese Government is currently pursuing a two-track policy of striving for normalisation of Sino-Indian relations in all other spheres, while stressing the need for elevating the level of the dialogue on the border dispute to a higher plane to find a political settlement in a spirit of mutual accommodation.

It is in pursuit of this two-pronged approach that China has been suggesting increased trade, cultural exchanges and technical co-operation to revive the spirit of the 1950s through intensified people-to-people contacts, without waiting interminably for a settlement of the border problem.

The Chinese are not averse to the idea of continuing the present official-level discussions on the border question which have been going on since 1981. But they feel that a stage has been reached when it would be more appropriate to tackle this problem at a political level to arrive at what they call a "fair and reasonable comprehensive solution."

Chinese's envoy's hint: One of the suggestions made by China for stepping up the process of normalisation is for resuming consular relations which have remained suspended since the border conflict. The Chinese Ambassador in Delhi, Mr. Wu Lianqing, hinted in the course of informal discussions as far back as

in March this year that it would be a major step forward if the two countries could reopen their consulates-general closed down in 1961 before the border conflict.

Brief verbal discussion: But he did not indicate whether China wanted to start off with one or more consulates-general nor did he specify when, where and how this should be done. A month ago he reverted to the subject in a more formal manner by leaving behind a brief unsigned note on the subject after a brief verbal discussion.

The then Indian Ambassador in Beijing, Mr. G. Parthasarathi, was withdrawn (in 1961) but the embassy was kept open with a Charge d'Affaires functioning as head of the mission. But the two Indian consulates-general in Lhasa and Shanghai were closed down, and the Chinese were asked to wind up their establishments in Bombay and Calcutta, leaving only the Chinese embassy in Delhi to maintain contact with the Government.

The Chinese have not said precisely in the course of these verbal exchanges whether they wanted to start off with a one-to-one or two-to-two resumption of consular relations. Nor have they asked the Government of India specifically to reopen the consulate-general in Lhasa first in return for similar facilities in Bombay or Calcutta, before the two countries are ready to resume consular activities in all the four places.

No specific request: It was against this background that an External Affairs Ministry spokesman said today, referring to a press report that China had invited India to reopen its consulate-general in Lhasa, that "a number of proposals have been and are under consideration" while maintaining that he was not aware of any specific request to this effect. He was being rather coy and cautious since the Government of India has not yet given much thought to the Chinese suggestion for resuming consular relations because of its other pre-occupations at present.

The Chinese suggestion raises certain larger issues in so far as the Lhasa mission is concerned; since the very nature and degree of India's contacts with Tibet will pose some problems. Though India had voluntarily renounced its extra territorial rights under the 1954 Sino-Indian treaty, it had retained a special relationship with Tibet even after recognising it as an integral part of China.

The Indian-Consulate-General in Lhasa was the only foreign diplomatic establishment in Tibet at that time, and under the 1954 treaty India was also allowed to maintain trade agencies in Gyantse and Yatung even after giving up the Kalimpong-Lhasa telegraph line operated by Indian staff with Indian protection. It is highly unlikely that China would agree to the restoration of even this limited *status quo ante* amounting to an acceptance of India's special position in Tibet.

The only country that has a consulate-general in Lhasa is Nepal with which China has established a close relationship after the Sino-Indian border conflict. If India were to reopen its consulate-general in the Tibetan capital under Chinese terms as one of the neighbouring countries without claiming any special position there, it would open the way for China to induce other countries like Pakistan, Bangladesh and even Bhutan to open similar missions in due course, if only to dilute the Indian status further in the eyes of the Tibetan people.

The reopening of the closed Indian consulate-general in Shanghai poses no such difficulties other than settling the long lingering disputes over the restoration of the old premises or paying compensation for the Indian properties taken over by the Chinese Government.

Compensation claim: But before the Chinese can exercise the reciprocal right of reopening their consulates-general in Bombay and Calcutta, the question of paying compensation for the assets of Bank of China seized during the 1962 conflict has to be resolved to China's satisfaction.

The process of normalisation thus bristles with many such difficulties even if the border dispute is treated as a separate issue. It would be embarrassing for India to get equated with Nepal in Lhasa much less Pakistan, Bangladesh or Bhutan. The concept of a comprehensive settlement of the border problem has to take into account the question of India's special position in the area to avoid future conflicts of interest.

INDIA

PAPERS REPORT ON GANDHI ASSASSINATION TRIAL

Defense Cites Foreign Hand

Calcutta THE TELEGRAPH in English 11 Jun 85 p 5

[Text]

New Delhi, June 10: Mr P. Grover, counsel for Balbir Singh and Kehar Singh, two of the accused in the Indira Gandhi assassination case, told the court today that he saw a "foreign hand" behind the conspiracy. "The conspiracy lies in the bullets of those who silenced Beant Singh and tried to kill Satwant Singh," Mr Grover said.

He was replying to the charges of conspiracy made in the prosecution chargesheet against his two clients in the preliminary hearings against the three accused. The special judge, Mr Mahesh Chandra, was prepared to read out his orders at the end of today's hearing but was persuaded by the defence lawyers, Mr P.N. Lekhi, and Mr Grover to defer them till tomorrow. Mr Lekhi is defending Satwant Singh, the third accused in the case.

Mr Grover, who described the prosecution chargesheet as "a charter of lies" said, "it contains not one word about how Beant Singh was killed, as if the prosecution is not obliged to inform us why Beant Singh was killed. Even the prosecution case is that the bullets were fired after they had surrendered their arms. Is this not cold-blooded murder?"

Mr Grover asserted that the facts were being concealed by the Anand Ram investigating team. He said handpicked men had been chosen to probe the

assassination and their "secret appointments have secret connotations."

Mr Grover quoted from the statement of Tarsem Singh Jambwal, a policeman in the Indo-Tibetan Border Police (ITBP), who, had said that he fired at Beant Singh in the guardroom, after the two alleged assassins surrendered, because Beant Singh had tried to attack him with a kirpan.

Mr Grover queried "in which case why was Satwant Singh fired at 20 times. Even a murdered cannot be murdered. The due process of law has to take place after which he can even be hanged."

Referring to the charges of conspiracy against Kehar Singh and Balbir Singh, Mr Grover said in law, abetment and conspiracy were different. Conspiracy involved actually helping a man to do a particular act. "There is not a single witness who says he saw them conspiring, not a single eyewitness who says he saw them telling someone to murder or saw them procuring arms," the defence counsel said.

He said the prosecution contended that Kehar Singh absconded immediately after the assassination and was arrested on November 30. He said there was no reason for Kehar Singh to have run even if he had been involved, because according to all accounts Beant

Singh was dead and Satwant Singh was unconscious. Mr Grover contended that Kehar Singh was not absconding but in police custody from November 2.

Taking up the prosecution charge that it was Kehar Singh who had made Beant Singh take "amrit" in a Delhi Gurdwara on October 14, Mr Grover said the Gurdwara had a register in which the names of all those who took "amrit" were entered and Beant Singh's name did not appear. His wife Bimla Khalsa's name did, however, appear on October 17.

"Amrit chakhna is not, however, the equivalent of killing a Prime Minister," Mr Grover said. "Much has also been made of their (Kehar Singh and Beant Singh) having visited Amritsar and gone to the Akal Takht. Doing this does not mean you are going to kill the Prime Minister. One of the highest dignitaries in the country was among the first people to visit the Akal Takht (after Operation Bluestar)," he added.

Answering the charge that Balbir Singh had also run away after the assassination and then been found with an incriminating diary in his pocket, Mr Grover said if his client was guilty of conspiracy then he would not have been wandering around with such a document on his person.

Mr Grover said a similar charge had been levelled against Kehar Singh after an allegedly subversive pamphlet had been found in his house. The defence counsel maintained that the pamphlet was a printed document freely available outside the Bangla Saheb Gurdwara.

Referring to Beant Singh's gold kadda and ring allegedly found in Kehar Singh's possession, Mr Grover said this charge was based on the evidence given by Beant Singh's wife and a wife's evidence could not be considered under the law.

Mr Grover referred to the statement made by Amarjit Singh, a policeman in the Prime Minister's security, who had become a prosecution witness and said he had heard Beant Singh saying that he would kill Mrs Gandhi before she unfurled the flag at the Red Fort on August 15. Amarjit Singh also said he had seen Beant Singh and Balbir Singh perform "ardas" when they saw the falcon in the Prime Minister's house in the last week of August.

The defence counsel said, "in his statement he (Amarjit Singh) said he had not reported the two incidents because he thought they were a joke. Now is this the way for someone in the Prime Minister's security to behave? He also did not make any statement immediately after the assassination but waited till November 24 to do so. I am suggesting as my learned friend (Mr Lekhi) did that he made it then because by that time Anand Ram had arrived."

The three accused were present throughout the two-hour hearing. Satwant Singh took notes from time to time and Balbir Singh attempted to discuss something with Mr Grover. The judge said he could do so only after the hearing. The Tihar Jail courtroom, which is located in a barracks with a corrugated iron roof is very stuffy and the defence lawyers today appealed to the judge to ensure that air-conditioning is installed.

Framing of Charges Directed

Bombay THE TIMES OF INDIA in English 12 Jun 85 p 1

[Text] New Delhi, June 11--The special trial judge, Mr Mahesh Chandra, today ruled that there was prima facie evidence to frame formal charges against all the three accused in the Indira Gandhi assassination case.

He accordingly directed that charges of criminal conspiracy to murder and abetment of the murder of Mrs Indira Gandhi, who was killed at her Safdurjung Road residence on the morning of October 31, 1984, be framed against the three accused, Satwant Singh, alleged sole surviving assassin of Mrs Gandhi, Balbir Singh, sub-inspector in the late Prime Minister's security staff, and Kehar Singh, who was an assistant in a Central government department.

By his order on framing of charges, running into 29 pages and which took him about 45 minutes to read out in the presence of the three accused who sat on the stools provided for them in the bullet-proof glass enclosure, the judge ordered separate framing of charge of murder against Satwant Singh who had, along with Beant Singh, sub-inspector, fired the fatal shots at Mrs Gandhi gunning her down as she reached the gate connecting her residence and office.

Attempt To Murder

Satwant Singh is also to be separately charged with the offence of attempt to murder assistant sub-inspector Rameshwar, who too, had sustained gunshot injuries. Besides, he is being charged with the offence under section 27 of the Arms Act for illegal use of the firearms and ammunition provided to him for discharge of his duties.

However, no charges could be framed against Beant Singh since these abated with his death. Incidentally, the charges to be framed against the accused are identical to the charges made against them in the charge-sheet and for which they had been sent up by the committal court to stand trial.

Satwant Singh, Balbir Singh and Kehar Singh were sent to stand trial for offences under section 302 IPC (murder) read with section 120 B (criminal conspiracy) and 109 IPC (abetment).

Satwant Singh was also alleged to have committed offence under section 302 IPC by murdering Mrs Gandhi, apart from offences under section 307 IPC for making an attempt on Rameshwar's life and under section 27 of the Arms Act for using official firearms for an illegal purpose.

Record of Evidence

After pronouncing his order, the judge fixed July 8 for formal framing of the charges and July 9 for commencing recording of the prosecution evidence, if necessary.

Earlier, Mr Mahesh Chandra dismissed the objections raised by the defence counsel, Mr P.N. Lekhi, that the court should not take cognizance of the charge-sheet. It had not been filed by competent police officials and as such the appointment of both Mr Anand Ram, head of the special investigating team set up for the case and Mr D.R. Gakhar, deputy commissioner, was illegal.

The judge ruled that the objections were without merit and the accused were not entitled to be discharged. The appointment of Mr Ram and Mr Gakhar were properly and validly made.

He also referred to the presumption in law that all official acts are performed regularly and observed that there was nothing to rebut the presumption. It was also pointed out that the committal court had dismissed rightly identical objections raised earlier.

In the order, Mr Chandra described as uncalled for and irrelevant the remarks made by Mr Lekhi during the arguments, that not a tear was shed by the son (the Prime Minister, Mr Rajiv Gandhi) of the deceased over the death of his mother and that he was listening to the BBC.

The judge said "I must place on record that the courtroom is not a place to exhibit such flights of imagination much less to indulge in political or personal vendetta between some individuals and least for character assassination."

Rejecting most of the contentions raised by Mr Lekhi, including the absence of motive on the part of his client to assassinate Mrs Gandhi, the judge said the motive had been brought out by the charge-sheet and "it is common knowledge that many a heinous crimes have been committed on the slightest motive."

The judge referred to the charge-sheet which pointed out that after operation "Blue Star" there was resentment among the members of the security staff of the late Prime Minister and that a conspiracy had been hatched between June and end of October 1984 to murder Mrs Gandhi and she was killed following the conspiracy.

Madras THE HINDU in English 12 Jun 85 p 7

[Text]

NEW DELHI, June 11.

The Additional Sessions Judge, Mr. Mahesh Chandra, hearing the Indira Gandhi assassination case, today ordered the framing of charges of murder against Satwant Singh and of criminal conspiracy to murder against him and the other two accused, Kehar Singh and Balbir Singh.

The charges will be framed by the court on July 8, and the prosecution will lead evidence on July 9.

Satwant Singh will additionally be charged under Section 27 of the Arms Act.

Prima facie case: The judge, in his 29-page order delivered this morning after hearing arguments for three days from the prosecution and the defence, held that "a *prima facie* case for charges under Sections 302/307/34 IPC, and Section 27 of the Arms Act does exist against accused Satwant Singh and for charges under Sections 120-B/109/302 IPC against Kehar Singh, Balbir Singh and Satwant Singh."

The judge rejected the application of Satwant Singh, who had pleaded that he be discharged on the ground that the chargesheet against the accused was illegal.

Properly committed: Turning down the plea of Satwant Singh's counsel, Mr. P. N. Lekhi, that the commitment was not proper, the judge upheld as "validly made" the appointments of Mr. S. Anand Ram and Mr. Des Raj Gakher as head of the special investigation team and the team's Deputy Commissioner of Police respectively.

Mr. Mahesh Chandra observed that Mr. Lekhi had conceded that superior officers of police could exercise the same powers as an officer in charge of a police station provided they were properly appointed.

The Delhi administration had in an order declared that Mr. Anand Ram "shall exercise all the powers and perform all the duties of the Commissioner of Police throughout the Union Territory of Delhi in respect of the case relating to the murder of Indira Gandhi and any other offences connected therewith."

Gazette notification: Similarly, Mr. Gakher and Mr. M. S. Sharma had been appointed Deputy Commissioner and Assistant Commissioner and their services placed at the disposal of Mr. Anand Ram under an order issued by the administrator of Delhi, the judge said.

As for counsel's point relating to gazette notification of the appointments, the judge said that the "publication in the official gazette is meant primarily for making the order public and nothing more."

The order said, "I find no merit in this application and I hold that the accused persons are not entitled to be discharged."

Conspiracy charge: Dismissing the contention of Mr. Lekhi with regard to the prosecution charge that between June 1984 and October 31, a conspiracy was hatched by several persons to assassinate Indira Gandhi, the judge said the accused appeared to have committed the offences along with Beant Singh for which they have now been committed to stand trial.

"It is not possible for me to accept the contention of Mr. Lekhi that the statement of the Public Prosecutor, Mr. K. L. Arora, that the conspiracy was hatched is a flight of imagination and is not borne out by the charge-sheet", the judge observed.

The prosecution had recorded the statements of Narain Singh, head constable in the Prime Minister's security, Mr. Lavang Shorpa, storekeeper, Mr. Ramesh Dayal, ASI, Security, who sustained injury at the time of firing which resulted in the death of Indira Gandhi, Mr. Nathu Ram, personal attendant of Indira Gandhi, and Mr. R. K. Dhawan, Special Assistant to the late Prime Minister, and submitted that the statements corroborated by documentary evidence had established a *prima facie* case against all the accused, the judge said.

Post mortem report: He said the prosecution had drawn his attention to the *post mortem* report dated Oct. 31, 1984, which listed as many as 50 injuries on the body of Indira Gandhi, gave the cause of death as haemorrhage and shock due to multiple bullet injuries and described the injuries as *ante mortem* in nature and collectively sufficient to cause death.

The police recovered a sten gun (No. 1398/1974), a carbine alleged to have been issued as service weapon to Satwant Singh and a service revolver (.38 bore, No. J 296754) of Beant Singh. According to the CFSL report, five empties recovered from the revolver had been fired from that weapon. The clothes of the deceased were found to contain bloodstains of the OH category, the same as the blood group of the deceased.

Regarding Mr. Lekhi's contention that the body was handed over on November 7, the judge said: "Mr. Lekhi refers to the inquest papers rather than the body." "Even if for the sake of argument it is conceded that the body is shown to have been returned on November 7 in the *post mortem* report, it does not affect the case," he observed.—UNI.

Confounding issue: Regarding Mr. Lekhi's argument that there was absolutely no motive for Satwant Singh to murder Indira Gandhi, the judge said, "The motive is *prima facie* brought out by the chargesheet. It is common knowledge that many heinous crimes are committed on the slightest motive and consequently I find no weight in this submission."

Referring to the *amrit chhakna* ceremony, Mr. Lekhi had submitted that the ceremony was relevant for the purpose of the Delhi Sikh Gurdwara Act and only Amritdhari Sikhs could hold any office under the said Act.

The judge said the reference to this Act was more to confound the issue before the court inasmuch as neither Satwant Singh nor Beant Singh were seeking any office under the Act which necessitated their undergoing the ceremony, more so when they were Government servants.

Regarding Mr. Lekhi's arguments about the non-inclusion of Mrs. Sonia Gandhi and Dr. Opeh as prosecution witnesses, the judge said none of them was an eyewitness to the occurrence.—UNI.

CSO: 4600/1706

INDIA

PAPER REPORTS RAJIV SPEECH AT UNESCO HEADQUARTERS

New Delhi PATRIOT in English 8 Jun 85 p 1

[Article by R.K. Mishra]

[Text]

Paris, June 7

Prime Minister Rajiv Gandhi today indicted US Administration's policy towards UNESCO. "To turn away from UNESCO is to turn away from universal cooperation and to reject the democracy of international relations in world body", Mr Gandhi said in a powerful speech at the end of which he was given a standing ovation by a packed auditorium at the UNESCO headquarters.

The Prime Minister's categorical disapproval of American withdrawal from UNESCO was viewed by the diplomatic community here as significant as it came only of four days before he visits Washington.

Though Mr Gandhi did not name the US or Britain, his remarks left no one in doubt. "We know that almost all international organisations are under pressure today because strong nations have tried to bend them to their purposes". He said there is an unfortunate retreat from multilateralism and internationalism. All who care for a saner and more equitable world order must come to the help of UNESCO in its hour of trial.

"India will support any constructive effort which will resolve UNESCO's dilemmas," he added.

Agencies add: Mr Gandhi reiterated India's support for a new world information and communication order which is necessary "to ensure the participation of all peoples in life-enhancing knowledge."

He said UNESCO's constitution called for promoting communication in order to promote understanding. "In doing so it is not our desire to put information in any strait-jacket or to stubborn the institution of others."

The Prime Minister said excessive power over the means of communication on the part of a handful of countries was not conducive to real freedom as it affected the right to inform and the right to be informed of the people in less developed countries.

He said India is seeking the organisation's assistance in preserving its monuments at Ajanta, Ellora, Mahabalipuram, Konark and the Taj Mahal.

Welcoming Mr Gandhi, the president of UNESCO's general conference, Mr Tell of Jordan, sharply criticised the US decision to withdraw from the organisation and Britain's threat to pull out at the end of the year. He said the reason for this was "perhaps because they have not been able to bend (the principles) to the service of their own narrow interests".

Addressing a press conference on the second day of his official visit to France, Mr Gandhi said he would ask President Ronald Reagan to be tougher with Pakistan, which India fears may have secretly developed a nuclear bomb.

"We will be talking with the US which favours Pakistan about the bomb".

Mr Gandhi said he had raised the question of Pakistan's nuclear capability with French President Francois Mitterrand during an hour of discussions last night after his arrival.

However, it was "perhaps already too late" for France to try usefully to convince Pakistan to abandon the idea of developing nuclear weapons, he added.

The Prime Minister said India would be ready to sign the nuclear non-proliferation treaty if Pakistan did not possess nuclear weapons.

India has all along taken the stand that the nuclear non-proliferation treaty is discriminatory against countries not having nuclear weapons.

Mr Gandhi said India did not have nuclear weapons and had no plans to manufacture them. But if Pakistan developed nuclear weapons, India could be compelled to change its stand.

He did not think that inspection of nuclear facilities by New Delhi and Islamabad would work, as has been agreed by some South American countries, because it would not be "fool-proof". "Much better understanding between our countries, is the way to create less distrust," Mr Gandhi said. Over the last six months he has twice met Pakistani President Mohammed Ziaul Haq and both foreign secretaries have held talks to that end, he added.

Mr Gandhi's six days in the US were intended "to increase understanding" between New Delhi and Washington. "Star Wars (the US space-based defence project) will only add to tension without materially adding to any peace," Mr Gandhi said.

India had need of US technology to aid its economy, he said and in particular advanced meteorological equipment to predict more accurately arrival of the monsoon, which can be a major economic factor.

India would also be seeking US technology to improve agriculture.

Turning to home, Mr Gandhi said population was the "main problem" for India. The Government "will go into population control in a big way, without any rewards or penalties."

Mr Gandhi said he did not intend to turn India into a consumer society, "but there are large sections of our society which have progressed far enough to be demanding certain products," he said.

CSO: 4600/1705

INDIA

AL-AKHBAR, EGYPTIAN TV INTERVIEW GANDHI

Bombay THE TIMES OF INDIA in English 5 Jun 85 p 9

[Text] New Delhi, June 4 (UNI)--The Prime Minister, Mr Rajiv Gandhi, has said that despite infighting among member countries on various issues, the non-aligned movement has a "lot of strength and resilience to achieve its objective of a more safe and equitable world."

The basic strength in the non-aligned movement was that "we have taken a world democratic set-up where each country can speak independently, without having to align with a major power," Mr Gandhi said in an interview with the Egyptian television and Arabic daily, "Al-Akhbar," here on the eve of his visit to Egypt, beginning tomorrow.

The Prime Minister said the movement had taken a "fair amount of initiatives" in ending the 57-month-old Iran-Iraq war. "Unfortunately the progress is not as we would have liked it to be. The movement is working with other groups and countries to bring the two warring nations to the negotiation table."

Mr Gandhi said the Gulf war must come to an end, adding that countries had softened their positions on the war which was a "hopeful trend."

Similarly the non-aligned movement had taken a strong stand on the Namibian issue, the Prime Minister said, adding "it will bring about change in world opinion."

During his two-hour interview, Mr Gandhi presented his government's view on a wide range of subjects from bilateral and international issues to domestic problems.

Referring to the Jordanian-Palestinian accord which is considered a landmark towards a peaceful settlement of the Palestinian question, Mr Gandhi said "it will help break the stalemate." However, he admitted that there seemed to be some confusion about who will represent the Palestinians at the talks.

India considered the Palestine Liberation Organisation (PLO) as the rightful and legitimate representative of the Palestinian people and they should represent it at the talks.

Against Interference

Referring to the Soviet intervention in Afghanistan, Mr Gandhi said he was against interference or intervention by any country in any other country. "We would like the Soviet troops to move out of Afghanistan, but they are there in concurrence with the Afghan government," he said.

However, "I do not see the Afghan government asking the Soviets to go until the pressure of the Mujahideens in Pakistan stops," he added.

The Prime Minister said India did not propose to mediate on the Afghan issue.

On India's relations with its neighbours, Mr Gandhi said "our relations are improving." Commenting on the South Asia Regional Co-operation (SARC) meetings in Bhutan, Mr Gandhi said he looked forward to the summit meeting of heads of government and state of SARC nations in December in Bangladesh, and was hopeful that "it will start a new chapter in the South Asian region."

On Indo-Egypt relations, Mr Gandhi said the two countries had excellent relations, but "there are lots of areas where we can further strengthen and develop our mutual bonds." There is wide scope for increasing trade relations, cultural exchanges and setting up a joint commission to bring the two countries closer.

India had advanced technology which "we are ready to share with Egypt and other friendly nations," Mr Gandhi added.

CSO: 4600/1695

INDIA

PRESS REPORTAGE ON RAJIV'S VISIT TO FRANCE

Correspondent Interviews Mitterrand

Bombay THE TIMES OF INDIA in English 6 Jun 85 p 9

[Article by K.N. Malik]

[Text]

PARIS, June 5
PRESIDENT FRANCOIS Mitterrand today expressed the hope that co-operation between France and India in key sectors was only in its early stages and that this would grow greatly in years to come.

In an exclusive interview, Mr. Mitterrand said the French government's desire to transfer technology unconditionally was symbolised by its willingness to participate in the efforts being made by the Rajiv Gandhi government to modernise India. France had shown its intention not only to sell technology but to transfer knowledge also.

Asked if he thought that the role of the two super powers was as predominant as ever, Mr. Mitterrand said this should not prevent all other nations from getting better organised. He felt that non-aligned countries, the foremost being India, had been able to get together and voice their opinion on all matters that concerned international economic relations. They had done this in such a way that they could no longer be ignored.

Mr. Mitterrand said France like India wanted the world to be free of domination of military blocs. This was why his country had ever defended the ideals of the non-aligned movement in so far as they showed the will to end the trend towards a bipolar world.

About his opposition to President Reagan's move to get Europe to participate in research for Strategic Defence Initiative (SDI) and his proposal for "Eureka" project, Mr. Mitterrand said SDI and "Eureka" were not the same thing. "Eureka"

would have been vital irrespective of the U.S. strategic orientation.

The following is the text of the interview:

Q: When you took office in 1981, you spoke of making relations with three developing countries — India, Mexico and Algeria — models of economic, political and cultural co-operation between the north and the south. To what extent has this desire been fulfilled in the case of India?

A: Relations between France and India over the past few years have developed in an international economic context that has hardly been favourable to the introduction of the model of co-operation that we wished to see between the north and the south. I have untiringly pleaded in the international arena, at summits of the industrialised nations, for a more equitable distribution of wealth and technology, for the guarantee of primary product prices and for food self-sufficiency. France has been putting this commitment into practice since my aim is to devote 0.7 per cent of the country's GDP to development aid. However, France cannot alone make up for the shortfall of industrialised nations.

We regard India, like all the other developing nations, not as clients but as partners. We have drawn up our economic and trading relations in a spirit of equality and reciprocity so that their development will go beyond the needs of the host country. We would like to see our co-operation crystallise around exemplary projects spread over a long period and which include equipment supply, technology transfer, appropriate finance and personnel training.

Q: In which specific sectors do you think France can give assistance for this modernisation apart from defence, telecommunications, petroleum exploration, coal and civil aviation for all of which France already participates extensively?

A: These are precisely the sectors in which French-Indian co-operation has already been the most evident. These were major projects at the centre of priorities determined by India. I would hope that co-operation between our two countries in these key sectors is only in its early stages. The projects already completed should give rise to others in the future. The most evident examples might be in the fields of telecommunications and upgrading of India's energy resources. However, France's contribution to the remarkable upsurge in India's economy is not limited to these specific branches. Actually what strikes me the most is the multiplicity and variety of possibilities for practical application for our cooperation. Computerisation (sale of bull computers), health (insituit merieux projects), audio-visual applications (antire), pollution control, space and nuclear industries will all be the subject of specific co-operation axis in the short-or medium-term.

The French government's desire to transfer know-how unconditionally is yet greater evidence than just the choice of strategic sectors, of its willingness to participate in the efforts being made by Mr. Rajiv Gandhi's government to modernise India. In fields such as telecommunications or computer technology, France has shown that its intention was not just to sell equipment or techniques but actually to transfer knowledge.

Q: It is said that reinforced relations between France and India would contribute to reducing the medium powers' dependence on the United States and USSR. Has this been the case during your term of office so far, or do you think that the role of the superpowers is as predominant as ever?

A: The role of the superpowers is still the same, but this should not, and does not, prevent all the other nations from co-operating and getting better organised. Over the past few years, for example, the European community has been able to solve several problems and welcome new members. It seems to me that the non-aligned countries, and first and foremost India, have been able to group together and express their opinion on all that concerns international economic relations. They have done this in such a way that they can no longer be ignored, even if, to my mind, progress is still far too slow. France believes that with a country like yours, as with others of course, a certain idea of north-south relations will eventually prevail. In France, we are working towards this.

Q: In the past, you often expressed your admiration for India's non-alignment policy. Do you still feel that non-alignment and the way in which it is practised by India are two important things as far as international politics are concerned, especially in the context of the second cold war and the new arms race, the most telling example of which is President Reagan's SDI programme?

A: France, like India, would like to see the world escape from the exclusive domination of military blocs. It is for this reason that France has always defended the founding ideals of non-alignment insofar as they manifest the will to put an end to the trend towards a bipolar logic which all too often can lead to the radicalisation of conflicts. Confronted with the persistence of localised tensions, non-alignment is more pertinent and necessary than ever. No country is better placed than India, whose independence is questioned by none, to give this doctrine its full meaning and increase the influence of the movement that it inspires. The fact that France belongs to a military defence alliance, for which it has never failed in its commitments, in no way subtracts from its autonomy of decision nor its freedom of speech or action.

Q: Would you say that within Europe and the Western alliance, France is trying to play the role of a non-aligned nation as far as key problems are concerned, such as President Reagan's "Star Wars" about which you expressed serious reservations unlike other European leaders?

A: Whatever the extent to which France agrees with the ideals of non-alignment, it cannot be said it is a non-aligned country. I repeat, it is a member of a military alliance, defensive though it be. Its commitments to its allies are clear and it fully intends to honour them. But, as you can see, this in no way prevents France from having totally independent opinions, making its own decisions and voicing its own attitudes.

Q: You opposed President Reagan's attempt to have Europe participate in research for SDI. In its stead, you proposed the "Eureka" project, the aim of which would be to form an advanced and autonomous European technological community. Could this be interpreted as an attempt to exploit Europe's potential with a view to forming a third superpower? In what way would the third world, and in particular India, stand to profit from the Eureka project?

A: The Strategic Defence Initiative and Eureka are not the same thing. Eureka would have been necessary whatever the strategic orientations adopted by the U.S. The aim of Eureka is quite simple: Europe must take a leap ahead to catch up on being technologically behind in

relation to the United States, on the one hand, and Japan, on the other. A technologically more advanced Europe would be in a position to enter into even richer co-operation with third world countries, like India. No country is excluded, a priori, from this undertaking.

Q: Unlike Great Britain, France has no close historical and linguistic-cultural ties with India. This perhaps explains why it took France so long to form close relations with India. Until several years ago, China rather than India seemed to be favoured by France. What brought about the change? Is it because China did not supply the markets it promised or is it the possibility of entering the vast Indian market?

A: It is true that it took France some time to form the links that exist today between the two. Our co-operation was for many years symbolic. French businessmen, industrialists, and experts did not turn their attention to India for a long time because they lacked the traditions and foothold in the country that others had had for some time.

Over the past few years, I have insisted that we put a spurt on. The figures speak for themselves. Our trade has increased by 50 per cent in three years. I hope that it continues to develop without any detriment to others. Our relations with India must be privileged ones, but in no way exclusive. They now have a very solid political basis founded on reciprocal interests and a broad range of objectives. Like you, we want to master the technologies which hold the key to the future. Our domestic modernisation programmes are similarly inspired. In many fields there is a certain complementarity that can be developed. This policy has not been developed as a substitute to China. India and China are two immense countries in both of which France should be present.

Q: Of the 8,000 co-operation agreements that India has signed since 1957 with foreign companies, only a little more than 400 have been made with French firms. This accounts for only 5 per cent of the total. French investments in India only account for a little over five percent of all foreign investment in the country. How can we incite France to make greater commitments to the economic future of India?

A: It is true that the number of French companies in India is not as great as that of other countries. I do, however, have high hopes that the difference will soon be made up. Recent developments would, I feel, leave room for a certain degree of optimism. The French government is determined to foster this trend by creating suitable finance and by encouraging technology transfers.

NORTH-SOUTH TALKS

Q: Why has the north-south dialogue actually become a dialogue of the deaf? Do you feel that the economic conservatism of President Reagan at home and abroad is a major obstacle to the implementation of the new economic order which you have often expressed as 'your wish in the past?

A: Even if the north-south dialogue has not produced the desired results yet, I feel that it must be pursued. It is true that not all developed countries agree to the proposals for the construction of a more equitable and stable international economic system as presented, in particular, by France. However, what is just and necessary must be repeated over and over again.

Q: It is said that there has been a distinct swing to the right by your government since 1980. Is this true? Would this bring you closer to a type of pragmatic politics which, it is said, Mr. Rajiv Gandhi favours?

A: Since I was elected, I have unrelentingly pursued four aims: 1. Economic modernisation of the country; The nationalisation of manufacturing companies and banks contributed to an upswing in investments which in industry rose by 10 per cent in volume last year. These are not conservative measures.

2. Increase the responsibilities of regions, departments and municipalities so as to promote as much initiative as possible at a local level. The right-wing in France did not think or did not dare do it before us.

3. Active participation by workers in the decisions that directly concern them in the company where they work. Unlike certain right-wing ideologists, I believe that economic progress must go hand in hand with social progress, the one reinforcing the other. This is indicative of a progressive policy.

4. Extend the liberty of my fellow citizens: there are 1,300 private radio stations in France today as against none in 1981 and I have expressed my wish for the creation of private television channels both on a national and local level.

The general economic policy was applied with pragmatism but remained faithful to our objectives. It had to take into account the constraints arising from a chaotic international environment and the continuation of strong inflationist tendencies despite 25 years of conservative government in France.

We tackled the source of the problems: Inflation and aging industrial infrastructures. In so doing, we

changed French policies from what had been applied over the past 20 years.

Q: One unpleasant aspect of the recent political scene in France is the rise of the extreme right-wing national front under Jean-Marie Le Pen. From where does this movement derive its force. Does it have the support of the working class and what are its chances of playing a role in any future government given the proportional representation system that you have introduced.

A: As President of the republic, I shall refrain from making any judgement on political parties, their representativeness or their opinions. As is well-known, I have no particular affinity with the extreme right-wing nor with its ideas: My public life is sufficient evidence of that. I would simply like to make two remarks:

In the first place, I did not invent the extreme right-wing in France, it has always existed, more or less openly. I note, however, that it comes to the surface more willingly when the left is in power, and the second is that if one is to be democratic then all currents of thought must be allowed to express themselves which includes parliamentary representation. Ideas cannot be fought by shutting them up. In any case, in France, it is and will remain a minority political expression.

Defense Deals Discussed

Bombay THE TIMES OF INDIA in English 8 Jun 85 p 1

[Text]

PARIS, June 7 (PTI).

INDIA and France are on the threshold of signing some important defence deals, according to indications available after talks between the defence ministers of the two countries here today.

The defence minister, Mr. P. V. Narasimha Rao, and his French counterpart, Mr. Charles Hernu, held detailed discussions here on some of the defence contracts that had been under discussion for some time. They were assisted by their aides.

Some of the contracts might be concluded any time, an Indian official spokesman told newsmen after the talks between the two defence ministers.

While the spokesman declined to give any details about the items under discussions, indications are that these include purchase of more Mirage aircraft from France and also helicopters.

AIRBUS PLANES

France has offered India Dauphine helicopters, a deal that appears to have forcefully revived after the Indian government's recent rejection of the British offer of Westland helicopters given with British government grants to finance the purchase. Westland had offered 21 helicopters for use by Oil and Natural Gas Commission and 65 million pounds were earmarked by Britain for promised aid to India to finance the deal.

India has already purchased 40 Mirage aircraft for its air force as well as a number of Airbus planes for its airlines. India is likely to purchase more of both these planes.

It was not known whether purchase of 155 m.m. guns for the Indian army, was also discussed by the defence ministers. The deal is estimated worth about Rs. 1000 crores. Sweden is among the countries competing for the major contracts.

24 July 1985

France has also expressed its keenness to assist India in its programme of making the Ganga pollution-free. The secretary for non-conventional sources of energy would stay on here for discussions with the French authorities on how they could support India in the endeavour of cleaning the Ganga and in generating energy from biomass.

The French side evinced interest in collaborating with India in specific fields like telecommunications and computers.

India told the French that it was a good source for computer software.

Meanwhile, the Prime Minister Mr. Rajiv Gandhi had a brief meeting today with his French counterpart, Mr. Laurent Fabius for an exchange of views of bilateral and international matters.

The meeting lasted about 30 minutes.

Earlier, several important dignitaries called on the prime minister. It included the former prime minister, Mr. Raymond Barre, first secretary of the ruling Socialist Party, Mr. Lionel Jospin and the general secretary of the Communist Party, Mr. Georges Marchais.

He also met a group of prominent French editors, journalists and publishers at the Palais Marigny where he is staying.

Mr. Fabius hoped that Mr. Gandhi's talks with the President, Mr. Francois Mitterrand, and other French leaders would enable him to gauge their mutual skills and means which he said "are quite vast".

The visit is also an opportunity for Mr. Gandhi to see some of the

achievements of France about which it is very much proud of, he said.

Speaking at a banquet hosted in his honour by Mr. Fabius, last night, Mr. Gandhi recalled that earlier this year, India and five other nations from five continents had issued a declaration from New Delhi outlining steps for "pulling out the nuclear fange of militarism". He was sure that France and India would always be together on the path to peace and human harmony.

The Indian leader expressed appreciation of the special understanding of India's problems shown by France.

Mr. Gandhi said that individuality and the spirit of independence made India as well as France "stand up and voice our independent outlook on international relations". Both recognised the importance of a multipolar heterogeneous world.

The prime minister welcomed President Mitterrand's special advocacy of a productive north-south dialogue. The French leader had been consistently and eloquently drawing the world's attention to the connection between disarmament and development.

It was imperative, Mr. Gandhi said, that the two countries work together to "halt the incipient retreat from multilateralism".

HIGH VALUES

Mr. Gandhi said the French passion for liberty and reason and the achievements of its thinkers, scientists and technologists had greatly influenced the Indian people.

"France is the symbol of a whole

series of values and achievements," Mr. Gandhi observed.

He said, according to historians, one of the cities where the proclamation of the French revolution was read out was in the Indian city of Seringapatnam, Tipu Sultan's capital.

Similarly, he said, French scholars and artists had a special feeling for Indian philosophy. Jules Michele, on reading the "Ramayana", called it a book of divine harmony, an ocean of love, compassion and clemency.

Romain Rolland befriended Rabindranath Tagore and Mahatma Gandhi. "In our own days, Andre Malraux had spoken of the importance of France and India understanding each other and working together," Mr. Gandhi said.

Mr. Gandhi said India had survived as a civilisation because of its extraordinary capacity to accept, absorb and assimilate and to tolerate diversity and take the complete view.

Today, he said, India wanted to assimilate the fruits of modern knowledge and technology "without giving up our heritage."

UNESCO MEETING

Addressing a UNESCO meeting today, Mr. Gandhi said there was an unfortunate retreat, of late, from multilateralism and internationalism. The prime minister said there was no human institution which could work better than UNESCO. To turn away from UNESCO was to turn away from universal co-operation and to reject democracy in world bodies.

France is the first western stop on a five-nation tour. He flies on from here to Algeria, the United States and Switzerland.

Importance of Visit

Bombay THE TIMES OF INDIA in English 8 Jun 85 p 9

[Article by K.N. Malik]

[Text]

PARIS, June 7.

THE importance given by France to Mr. Rajiv Gandhi's visit was evident from the red carpet welcome accorded to him by the French Prime Minister, Mr. Laurent Fabius, at the airport yesterday.

Mr. Fabius set aside protocol to personally receive Mr. Gandhi at the airport. Visiting prime ministers are usually received by a senior French minister.

The policy of greater Indo-French relations was initiated by Mr. Francois Mitterrand's predecessor, Mr. Valery Giscard d'Estaing and the socialist President has carried the process much further.

The French are helping India in diverse fields such as electronics, marine wealth and exploration, environmental studies and management, telecommunications, coal-mining, nuclear energy, space and defence.

TECHNOLOGY GIVEN

Of all the industrialised nations of the West, France is the only country which has not hesitated to transfer sophisticated technology to India even in some strategic fields.

France has also lent crucial support to third world causes espoused by India. For example, President Mitterrand attended the mini-economic summit called by Mrs. Gandhi in New York two years ago.

Like India and other third world countries, France has pleaded for enhanced co-operation and transfer of resources from the North to the South. It championed the cause of third world countries at the recent seven industrial nations' summit in Bonn by pleading that a new GATT round should not be started without preparing a proper agenda in consultation with countries such as India and Brazil.

France has also pleaded for restructuring of the international monetary order so that it could benefit developing countries.

The French have not only opposed the U.S. and enabled India to retain its seat on the International Atomic Energy Agency board in Vienna, but came to the rescue of India when the U.S. went back on its commitments to supply nuclear fuel for Tarapur. But for the help given by France and Britain, India would have been lower in the rating of the World Bank.

France also pleaded with the U.S. not to cut the American contribution to the International Development Agency.

However, France could not help put up a supplementary fund so that the total IDA-seven quantum could be retained at \$12 billion rather than \$9 billion. This has curtailed soft

loan borrowing facilities from the World Bank and put severe strains on adjustment policies undertaken by countries such as India.

The lower IDA fund meant curtailed contributions by donor countries and lower aid to developing countries. Neither France nor any other friendly donor-country has come forward to increase bilateral aid without constraints such as compulsory purchase of equipment, technology, or consultancy.

President Mitterrand has asked how his country France could make up for the shortfalls of other nations such as the U.S. It could certainly do its bit by increasing joint aid or give commercial credit for some key projects at concessional rates, say at IDA rates.

The rise in bilateral trade between India and France by 50 per cent during the last few years has only tipped the balance in favour of the latter.

At it is, French investment in India is insignificant at five per cent of the total foreign investment. Of the 8,000 foreign collaboration agreements, only 400 have been concluded with French firms.

The French remain protectionists. In spite of what they say they continue to employ various kinds of hid-

den protectionist measures to restrict foreign imports. When they talk of supporting better prices for agricultural produce, what they have in mind perhaps are French farmers and not those of the third world.

This aspect would figure prominently during Mr. Gandhi's talks with the French. India has already shown preference for French equipment in defence and other fields. For example, it purchased Airbus instead of Boeing or Macdonal Douglas aircraft.

FRANCE FAVOURED

It went out of the way to cut the Jaguar programme and bought Mirage-2000s when it could do without them. The awarding of the contract to the state-owned CIT-Alcatel for a factory in Gonda, U.P., was a political decision. One wondered how the French would reciprocate.

Mr. Gandhi, a practical-headed politician, should ask this question and try to clinch agreements for the export of non-traditional items and third country joint contracts in return for any possible future purchases of civil and defence hardware.

He should also insist on a better support in EEC and multilateral financial institutions. Friendship and closer relations should not work only in favour of France. After all, one-way relations cannot last for long.

Gandhi Television Interview

Bombay THE TIMES OF INDIA in English 9 Jun 85 p 1

[Text]

PARIS, June 8 (PTI).

THE Prime Minister, Mr. Rajiv Gandhi today asserted that there was no internal threat to the security and unity of India but externally Pakistan's nuclear programme was a "destabilising factor."

He told a French television channel in an interview that he did not think there was any threat to unity and as far as Sikhs were concerned, it was only a small group of extremists which was posing problems.

The majority of Sikhs were not with them and favoured the strengthening of India's unity and integrity.

The prime minister affirmed that his government would talk to moderate political groups of Sikhs but would deal "very firmly" with terrorism. This policy had been successful, he added.

Mr. Gandhi was of the view that Sikhs had now "moved in a positive direction". After the recent transistor bomb attacks in northern India, a majority of them had come out against violence and in favour of national unity and integrity.

VALUE-BASED TIES

Asked about the most important achievement of his current visit to France, he replied that it was the understanding achieved with the French leadership.

From that understanding followed larger trade, co-operation in industry, more cultural exchanges and co-operation in world affairs, he said.

Asked if India's relations with France were different from those with other powers, Mr. Gandhi replied in the affirmative. Both India and France, held certain values more important than material words, he said.

On Afghanistan, the prime minister reaffirmed that India was against interference or intervention by any country anywhere. That included intervention by the Soviet Union, United States or any other country.

He refuted a suggestion by the interviewer that India was more critical of U.S. measures in Nicaragua than of the Soviet action in Afghanistan. India had been equally critical, he stressed.

Asked about threats of assassination to him, the prime minister replied: "It does not bother me." The threats had made no difference to his work, he added.

As for the Tamil problem in Sri Lanka, Mr. Gandhi said the Sri Lankan government had come out with a positive approach and it believed now in a political solution of the problem. India would help the Lankan government and Tamils to get together to find a solution.

PRIORITY ISSUES

Mr. Gandhi declined to disclose the steps discussed between him and Mr. Jayewardene but said efforts had to be made for a political package acceptable to the Sri Lankan government as well as to Tamils. He did not think it was too late to find a political settlement.

Asked what the priority issues facing India were, the prime minister replied that in a country as big as

India, the priorities were many. "But top priority must go to population control because that would make or mar India," he added.

In an hour-long meeting with French and Indian businessmen last night, Mr. Rajiv Gandhi said there was good scope for French investment in India which had a strong industrial infrastructure and management cadre.

Mr. Gandhi explained the steps taken to attract investment including simplification of taxation and licensing procedures.

Assuring them of all help from the government, he said a new industrial policy had been formulated cutting down red tapism and procedural delays.

Expressing India's determination to go ahead with industrialisation, Mr. Gandhi said some specific areas had been selected in which special efforts would be made to catch up with industrialised countries. Targets set in these areas would be achieved within the stipulated time, he said.

Stressing the importance of both public and private sectors for India's economic and industrial progress, Mr. Gandhi said the main thrust was on the public sector which had brought about industrial revolution in the country. But that did not mean the private sector would be neglected.

Both sectors would be given equal treatment, he emphasised.

Pointing out that India was poised for a rapid industrial expansion, Mr. Gandhi spoke about the achievements of the sixth plan and said the seventh plan outlay had been fixed at \$300 billion.

He said India and France could collaborate in a way that enabled them to find markets for their produce in other countries.

CIVIC RECEPTION

The citizens of Paris honoured Mr. Gandhi at a colourful civic reception attended by a large gathering.

In an address at the reception, Mr. Gandhi recalled the tremendous public response to the Festival of India which commenced here last night. Thousands of Parisians had been milling around the festival area making India their home for the evening, he said.

Mr. Gandhi told the gathering that over the next 12 months Paris would see performances of traditional Indian folk art, classical dances, music and exhibitions.

Mr. Gandhi recalled the visit of the mayor of Paris, Mr. Jacques Chirac to India in January 1976 and said important steps were taken towards development of mutually beneficial co-operation between the two countries.

Indian Television Interviews Mitterrand

Calcutta THE TELEGRAPH in English 9 Jun 85 p 1

[Text]

New Delhi, June 8 (PTI): The French President, Mr Francois Mitterrand, has assured that France would comply with all international commitments and controls in any nuclear aid programme to Pakistan.

In an interview to Doordarshan, telecast over the national hook-up tonight, Mr Mitterrand said France would be very careful in the matter of transfer of high technology which could be utilised for military purposes. As such, each civil or military contract would have to be examined on a case by case basis, he said.

Asked if his government would give a firm commitment that French firms would in no way help Pakistan in its efforts to make an atomic weapon, Mr Mitterrand said, "We will comply with international commitments and to international controls."

The Prime Minister, Mr Rajiv Gandhi had told a press conference in Paris yesterday that there would be "problems" between India and France, if the French helped Pakistan in its efforts to make nuclear weapons.

Pakistan and France had signed a contract in 1977 for the supply of a reprocessing plant to Pakistan.

However under US pressure, France proposed certain design modifications in the plant by which reprocessed plutonium would have been rendered ineffective for use in making an atomic weapon.

The changes suggested by the French government were not acceptable to Pakistan and the differences between the two countries remained unresolved. However, the deal has never been cancelled or suspended

and there have been reports that it is still under consideration.

In reply to a question about the possibility of transferring high technology, particularly in the strategic sector, Mr Mitterrand said France believed in transfer of technology to friendly countries like India.

The President said France would do everything to improve the balance of trade by increasing imports from India.

Mr Mitterrand said the two countries had everything to gain for their mutual benefit. He said France believed that it would be a mistake to buy only raw materials from developing countries. It would be better for France to buy finished and semi-finished products from developing countries like India, he said.

Scientific Accord Signed

Calcutta THE SUNDAY STATESMAN in English 9 Jun 85 p 1

[Article by Paul Chutkow]

[Excerpt]

PARIS, June 8.—As programmed, France and India today announced agreement on strengthened scientific cooperation. The accord covered contracts in biotechnology, physical optics, applied mathematics and renewable energy sources. The two countries are also negotiating deals on French helicopters, airbus commercial jets, computers and railroad equipment,

After a fabulous launch to France's "Year of India", Mr Rajiv Gandhi got back to serious business today amid strong signs that his five-day visit here was already a major success. If there was any doubt that all the fanfare sealed a new phase in the developing Franco-Indian friendship, President Francois Mitterrand set the record straight. He told Indian television that any "misunderstanding" still lingering from the Col. Bolley spy affair had been "smoothed over"

Rajiv at Businessmen's Meeting

New Delhi PATRIOT in English 9 Jun 85 p 1

[Article by R.K. Mishra]

[Text]

Paris, June 8:

Prim Minister Rajiv Gandhi last night told French and Indian businessmen that the public sector had brought an industrial revolution in India and it would play an equally important role in ushering in a technological revolution in the country.

Mr Gandhi was replying to questions at a joint meeting of the Indo-French Business Council here.

He however made it clear that there was vast scope for private sector also for making a worthwhile contribution in achieving the country's economic targets. The seventh five-year Plan, Mr Gandhi said, envisaged an investment of about one hundred billion dollars, almost equally allocated to public and private sectors.

Mr Gandhi said the recent changes in taxation and industrial policies coupled with the simplification of procedures had generated considerable enthusiasm amongst the Indian businessmen and industrialists. But enthusiasm was not enough. It must be converted into efficient, competitive and quality production.

He envisaged considerable scope for cooperation between France and India in the fields of high technology and also joint ventures in third countries.

Agencies add: The two countries today opened a new era of cooperation with the signing of an agreement to set up a science and technology centre in New Delhi.

To be jointly financed by India and France, the centre will always have an Indian director (an eminent scientist) and the benefits of research conducted will be passed on the developing countries in Asia, Africa and South America. It will carry out research in energy, applied mathematics, immunology, computer sciences, electronics, renewable sources of energy and bio-techniques. To begin with a joint council of Indian and French scientists will be constituted to identify areas of common interest for research. The agreement was signed by Foreign Secretary Romesh Bhandari and his French counterpart Andre Ross, the former ambassador to India. The accord is the result of three years of talks between France and India, which are already linked by agreements between medical and technical institutions.

Another agreement on cooperation in the field of environment which includes French help for cleaning Ganga waters is slated to be signed tomorrow.

The project, said Mr Gandhi, would go to the heart of the people.

France has also expressed keenness in research in tropical and semi-arid conditions unavailable in this country.

PM satisfied: Mr Gandhi who had a busy schedule today has expressed satisfaction at the outcome of talks he had here which would lead to increased cooperation in industry, and technology, greater trade and more cultural exchanges.

"The visit goes beyond the normal visits of the heads of State because Mr Gandhi has established a warm relationship with not only the French leadership but also the people", Mr Bhandari said.

Similar sentiments were expressed by French officials.

Later at a civic reception, he spoke of tremendous public response to Festival of India which opened here yesterday.

He said India could learn a lesson from France which has adapted to the needs of the fast changing world without changing its "moorings of the past. He spoke of India's programmes for rapid urbanisation and ushering in a change "from yesterday to today."

The Indo-French talks during the current visit of Mr Gandhi have covered a wide range of subjects, including the situation in South Asia. Pakistan's attempts to make a nuclear device are also believed to have figured in the talks.

French President Francois Mitterrand and his government have made special efforts and gestures for the success of the Indian leader's visit which is taking place after the recent busting of spy ring in India in which a French diplomat was involved. But it is now clear that both sides are treating the incident as a "close chapter" in words of Mr Gandhi himself.

Mr Gandhi had three meetings with Mr Mitterrand during the last three days which provided enough chance to the two leaders to understand each other and develop a warm and personal relationship. Besides the meetings Mr Mitterrand hosted a lunch in honour of Mr Gandhi yesterday and they had breakfast together this morning.

Their talks have been described as very useful.

Rajiv's Paris Press Conference

Bombay THE TIMES OF INDIA in English 11 Jun 85 p 9

[Article by K.N. Malik]

[Text] Paris, June 10--The Prime Minister, Mr Rajiv Gandhi, today said that there was a concurrence of views on most bilateral and international issues between India and France.

Talking to newsmen on the last day of his visit to France, Mr Gandhi said that though the main purpose of his visit was not to conclude or discuss specific projects for collaboration between France and India, two important framework agreements had been signed covering the scientific and technological fields.

He also indicated that French and Indian officials had been discussing, for some time, bilateral cooperation deals and hoped that these would be concluded quickly.

Earlier, a spokesman for the Indian delegation indicated that the two sides discussed the purchase of French helicopters for ONGC, some more airbuses, more Mirage-2000s and some sea-skimming missiles. He said that some of these deals were likely to be clinched soon.

The French Prime Minister, Mr Laurent Fabius, who was also present at the press conference, agreed with Mr Gandhi and said India and France had similar views on a more equitable world economic order, disarmament and east-west relations.

The new round of GATT should be held after taking into consideration the views of third countries such as India, he said.

India has suggested the issuing of new SDR's and an increase in the capital base of the World Bank to enable it to enhance aid, specially soft aid, to poor countries.

Credit Terms

Mr Gandhi, it is understood, took up with French leaders the question of softening credit terms. Mr Fabius said that India's views on the subject had been noted, but pointed out that India had not utilised about 700 million francs given in credit.

The Indian Prime Minister is understood to have pointed out that the non-utilisation was due to high prices of French equipment and technology and the French insistence on India buying all equipment for a joint project with French credit from France.

India follows the practice of floating tenders for the purchase of equipment in the international market. Where the prices of French equipment have been high, it has purchased equipment from a country where the prices are competitive.

France does allow Mauritius and some Francophone countries to purchase equipment from third countries in exceptional cases. India feels that France should allow at least part of the French credit for purchases for a joint project from a third country. Britain allows India to make purchases from third countries out of its grant. Such purchases, however, are cleared with Britain. It feels that France should follow this example.

India also feels that France could increase the soft quantum of credit. At present 50 percent of the credit is at bank rates, to be repaid in ten years and the rest at the treasury rates of about 2.5 percent to be paid in 30 years, including a grace period of 10 years.

India also feels that France could lower the interest charged on treasury credit. Last year, it lowered the rate of such credit from three to 2.5 percent. This could be further lowered.

As it is, more purchases from France would only tip the balance of trade further against India. At present India has an adverse balance of about dollar 149 million in its trade with France.

Ganga Cleaning

Till today, France has given India only a grant of \$6.5 million for an immunology research project. Significantly, it has now indicated that the two framework agreements for an advanced research centre and cleaning of the Ganga and recuperation of energy from urban and rural waste signed with France on Sunday would be funded mainly by soft credit or grant.

The project for an Indo-French advanced research centre would cover areas such as bio-technology, applied mathematics, photo-electronics and energy, specially renewable and alternative energy.

The first phase of cleaning of the Ganga would cover the Ganga at Varanasi, sewage treatment and power generation plants. This would supply electricity to the area around Varanasi.

Later the project would cover about 38 towns. The first five being Varanasi, Kanpur, Rishikesh in Hardwar, Patna and Howrah.

An official said that in the project which has already been started by India, France would be participating in some areas, especially those involving high technology. The project would benefit about 250 million people. Besides river pollutants, the project would cover the generation of energy from waste material such as wood waste and biogas.

PM Invites Mitterand

(PTI)--The French President, Francois Mitterand, was today invited by the Prime Minister, Mr Rajiv Gandhi, to visit India at any time convenient to him.

Mr Gandhi extended the invitation to his French counterpart, Mr Laurent Fabius.

Rajiv Said To Prefer Silence

Calcutta THE TELEGRAPH in English 11 Jun 85 p 1

[Text]

Paris, June 10: There was much more agreed upon between India and France than might seem from the official pronouncements. At the joint press conference addressed by Prime Ministers Rajiv Gandhi and Laurent Fabius under the chandeliers of the Marigny Palais, the Indian Prime Minister spoke of the special meaning which French collaboration on the Ganga project held for Indians, particularly since the French will be involved at Varanasi.

The agreement on the Ganga was in fact signed in the adjoining room just minutes before the press conference. Mr Rajiv Gandhi also mentioned the centre for advanced research which will start in Delhi soon. His answer to persistent questions about defence deals was simply that he had not come to France to sign any contracts. But an agreement has been reached on helicopters and other defence related purchases.

Mr Narasimha Rao joined the PM's party in Paris largely for this purpose, though he will not be in the US as defence minister but as a senior member of the government and former foreign minister who can help in the wideranging political discussions and analysis, which will be the main agenda of talks in Washington.

France was very keen to announce that these deals had been made during this trip, but India felt it would be wiser to keep the formal announcements for another occasion "within the next few weeks." Prime Minister Rajiv Gandhi would prefer this trip to look more like a search for goodwill and friendship than a search for arms. It is, in fact, true that arms are not high on the list of India's requirements from the western world.

Focus on India's image

The festival part of the visit, therefore, is getting the spotlight at the moment, the aim being to leave an excellent im-

age of India in France and then the US both at the government and the popular levels. India is being projected both as a nation with an important role to play in the future and a civilisation with a unique heiritage from the past.

At the press conference, Prime Minister Rajiv Gandhi refused to be drawn into giving a straight answer to any question about an arms deal with France largely because while he did not want to confirm any such deal he could not outright deny it either. At one point when the *Time* magazine correspondent asked how many Mirage aircraft had been purchased, the Prime Minister retorted very sharply, "Why should I tell you?"

Special status for India

France has also made it clear that not only does India occupy a special position in its perception of the world, but France is also willing to be, in a sense, the ambassador of the Third World to the first.

France has expressed willingness to give a real content to North-South relations through political and economic decisions. It has also been pointed out that France has a good record of keeping its commitments, the implied reference being to the sudden US decision to cut off fuel for Tarapur and France stepping into the breach.

President Mitterrand has assured Mr Rajiv Gandhi during their many private meetings (including one-to-one), that France will not help the Pakistani nuclear programme, which India suspects of having a military content.

The commitment about French intentions vis-a-vis Pakistan's nuclear programme is important in view of the fact that in a recent statement the French ambassador to Pakistan had hinted that there could be Pak-French cooperation in this field.

Credit terms not eased

While the French position towards Pakistan's nuclear prog-

ramme must be considered a success for Prime Minister Rajiv Gandhi, he has not been able to persuade President Mitterrand to ease the terms of credit for loans to India. Only Italy has tougher terms among the West European nations. Some 700 million francs of credit has accumulated over the years and is lying unused partly because India considers the terms stiff.

During their conversations, President Mitterrand generally adopted a philosophical tone, preferring to keep his side of the dialogue to the philosophy of goodwill, and thus by and large avoiding making any commitment on specifics. Prime Minister Fabius discussed specifics in his talks with Prime Minister Gandhi. But Monsieur Fabius too preferred to slur over the problem of credit terms, saying that these technical matters should be left to the relevant bureaucrats. The French have this unique capacity not to understand what they do not want to understand.

But without doubt India has become, in French eyes, the best developing nation to deal with, particularly as a market for its goods. And, during this trip, the special gestures continued to pile in order to please the Indian side. In yet another first, President Mitterrand attended a small dinner (restricted to 10 guests) hosted by our ambassador, Air Marshal Idris Latif, last evening. No French President has gone for dinner to the Indian embassy before.

If any conclusion can be drawn at the end of Prime Minister Rajiv Gandhi's state visit, it is that Indo-French relations are headed for a new spring. France is clearly scheduled to replace Britain as India's premier friend in Europe. Prime Minister Rajiv Gandhi not only finds Britain's ambivalence towards Sikh extremists irritating and dangerous, but also sees greater advantage for India in a deeper relationship with the Francophone world, particularly in Africa.

Calcutta THE TELEGRAPH in English 10 Jun 85 p 1

[Text]

Paris, June 9 (PTI,UNI): The Prime Ministers of India and France affirmed here tonight that they had reached a broad convergence of views on major international issues and that Indo-French relations had been placed on a strong footing.

Summing up the five-day official visit of the Prime Minister, Mr Rajiv Gandhi, his French counterpart, Mr Laurent Fabius, declared that the visit has been "fairly positive and very effective." New and strong bilateral cooperation will follow as a result of this visit, he said.

At the joint press conference, the two Prime Ministers stressed that the close relations between the two countries had been further strengthened following their talks, which covered a wide range of subjects.

Mr Gandhi said that while he had not come to France to sign any agreement, many were in the pipeline. He hoped that the discussions on these would conclude in a few weeks.

Mr Gandhi refused to disclose any details regarding how many Mirages or Dauphin helicopters India was going to buy.

When a Western correspondent asked for specific numbers in this regard, he said, "Why should I tell you." He said the first batch of Mirage 2000 combat aircraft had already arrived in India.

Mr Gandhi said he had not signed any agreement on purchase of French helicopters and Airbus planes because it was not his department.

Mr Gandhi emphasised that his talks with the French President, Mr Francois Mitterrand and Mr Fabius had resulted in improved understanding. "This puts relations between the two countries on a strong footing from which more trade and cooperation would flow," he said.

Star Wars, W. Asia

Mr Gandhi said India and France's views differed slightly on the issue of Star Wars, but in essence both the countries were opposed to it.

About West Asia, Mr Gandhi said the situation was complicated. "We felt nothing could be achieved immediately," he added.

Answering a question about the effects of the involvement of a French diplomat in the spy scandal, Mr Gandhi said this problem is "behind us." It had not even been discussed, he added.

Mr Gandhi noted with satisfaction the signing of two agreements during his visit here. The first related to the establishment of an Indo-French centre for advanced research in Delhi, and the second for cleaning of the Ganga.

Mr Fabius said the French position on a new international economic order was close, or even identical, with that of India. It was in the interests of the developed countries themselves to give due consideration to the position of the developing ones on raw materials, debts and monetary issues, he added.

Answering a question on French terms of credit to India,

Mr Fabius said that on the one hand there were demands for greater financial efforts on France, but at the same time the funds already earmarked were not being utilised. Positive measures would have to be taken to deal with this paradox, he added.

No change in stand on NPT

Mr Gandhi today rejected reports that India would be prepared to sign the Nuclear non-Proliferation Treaty (NPT) if Pakistan agreed not to make nuclear bombs.

"I said it very clearly that India is unwilling to sign the NPT because it is biased," in favour of nuclear power states, Mr Gandhi said.

Referring to an United States news agency report on an interview here, Mr Gandhi said, "When I was asked about this I said it very clearly that India is not going to sign the NPT because we feel it is unfair. It is biased towards the nuclear powers and we are not willing to sign that."

Agreement on telephone exchanges

France will supply to India telephone exchanges worth about Rs 66 crores.

Under a five-year programme, more than one million telephone lines will be installed in hotels, companies and local bodies. The French licences will be transferred to top Indian telecommunications companies. The agreement was signed between the French firm Jeumont Schneider and India today.

CSO: 4600/1704

INDIA

PAPERS REPORT ON RAJIV'S VISIT TO ALGERIA

Report on Airport Statement

Bombay THE TIMES OF INDIA in English 11 Jun 85 p 1

[Text] Algiers, June 10 (UNI)--India will buy 500,000 tonnes of oil from Algeria and in return provide it with greater assistance in setting up projects in the fields of science and technology.

This was announced at the end of the talks between the Prime Minister, Mr Rajiv Gandhi, and the Algiers President, Mr Chadli Benjedid.

India has already executed projects worth \$250 million and discussions were under way between the delegations of the two countries with regard to additional projects worth about \$300 million.

Mr Gandhi, who arrived here from France on a day's visit, was alone with the Algerian president for about 75 minutes. They were then joined by their respective delegations.

In a statement at the airport where he was received by Mr Benjedid, Mr Gandhi said it was important for non-aligned countries to settle their bilateral differences and work resolutely for international peace and cooperation.

He said it was unfortunate that there were discords and conflicts within the non-aligned group.

The Iran-Iraq war showed no sign of abating and the Palestinians were no nearer to realising their dream of a homeland.

The Iran-Iraq war is understood to have figured prominently in the discussions between Mr Gandhi and Mr Benjedid. They apprised each other of their assessment of the conflict.

They also reviewed the situation in West Asia and exchanged views about problems the two countries had with their neighbours.

Mr Gandhi spoke of the security environment in the Indian region in the context of Pakistan's nuclear weapons programme and induction of sophisticated weapons.

Mr Benjedid informed the Prime Minister about his country's problem with Morocco on the Polisario issue.

India, on its part fully supports the aspirations of the people of Polisario as also the organisation of African unity resolution in this regard, urging Morocco to hold direct talks and go in for a referendum.

Though even the United Nations has endorsed this OAU resolution, Morocco has refused to hold direct talks with Polisario. At the party-level there have been exchanges of delegations and a Congress delegation had visited Western Sahara.

Regarding the non-aligned movement, the two leaders noted the similarity of views and observed that the two sides were working closely.

They said the process of consultations should be close and both leaders agreed to hold periodic consultations between the senior officials of the foreign office.

The consultations would be held within a few weeks before the OAU summit and the NAM foreign ministers meeting scheduled in according to an official spokesman.

The two leaders also discussed disarmament and felt a dialogue with big powers should be kept up to persuade them to curtail arms expenditure and assist in the economic development of the poor.

Mr Bendjedid supported India's initiative to strive for disarmament, especially nuclear disarmament, and welcomed the declaration in this regard adopted at the New Delhi six-nation summit which specifically went into this question.

On North-South dialogue which has been stalled for some time, Mr Bendjedid felt there was not much change in the attitude of the industrialised countries, except perhaps France.

The Algerian president expressed concern about the debt problem and said a large number of African countries were also falling into this debt trap.

The two leaders discussed the drought situation in Africa and they proposed that a meeting on the global scheme of trade preferences be held shortly in New Delhi.

Mr Gandhi inquired from the President about his recent visit to Washington and talked about his visit to the U.S. starting tomorrow.

24 July 1985

Meanwhile, in a message to Mr Mitterrand, Mr Rajiv Gandhi said his discussions in France would "greatly help further strengthen our bilateral co-operation to the mutual benefit of our two peoples.

Gandhi's Algiers Press Conference

Bombay THE TIMES OF INDIA in English 12 Jun 85 p 9

[Text] Algiers, June 11 (PTI & UNI)--The Prime Minister, Mr Rajiv Gandhi, said today that India wanted to make sincere efforts to help find a solution to the Afghan issue.

"We want to try so that something starts moving" he told a press conference here, replying to a question whether India and Algeria would relaunch efforts to solve the issue.

He said there was no proposal to have an emergency meeting of the non-aligned movement to discuss the Iran-Iraq conflict, the crisis in Lebanon, the Palestinian question and the issue of western Sahara.

He said these matters have been discussed in detail as also what could be done otherwise in these areas.

On ending the Iran-Iraq war, Mr Gandhi, who is also the chairman of the Non-Aligned Movement (NAM) said, "no new initiative has been planned." We feel the time is not ripe for an initiative now.

Asked about his discussion on western Sahara with the Algerian President, Mr Chadli Bendjedid, Mr Gandhi said he would not like to comment till he met the Polisario army chief.

The Prime Minister answered questions on Indo-Algerian relations, NAM, Afghanistan, the internal situation in India and the serious economic crisis faced by the third world.

About Afghanistan, Mr Gandhi was asked whether an Indo-Algerian initiative would work.

He said it was difficult to say what would work.

Mr Gandhi recalled that India had made a suggestion in the 1980s and was willing to reconsider it and see whether something could be got moving.

On NAM, Mr Gandhi said it did not need a new direction. "The direction it has is very good. Non-alignment has contributed to a great extent to bring peace and stability in the world. What is needed is a better understanding of non-alignment."

He stressed non-alignment was not a partisan movement. "Non-alignment is the extension of the democratic process to the world scenario," Mr Gandhi said.

About Lebanon, Mr Gandhi said the situation was very fluid. There could not be a solution there by keeping one superpower out. If a solution has to be found on the basis of the littoral states in the region, all concerned countries and people must be involved including the Palestine Liberation Organisation.

He reiterated NAM's unequivocal condemnation of colonialism in Africa. "We will do everything in our power to fight neo-colonialism," Mr Gandhi said.

About the internal situation in India, particularly Punjab, Mr Gandhi said the tension had decreased. During the past few weeks the Akali Dal and other groups had expressed themselves to be against violence and also conveyed their desire to operate within the Constitution and the framework of a united India.

He said the Akali Dal leaders had also begun to oppose terrorism. Besides, apprehensions that the first week of this month could result in violence had been belied as the week passed off peacefully.

"We are confident this will lead to normalising the situation in Punjab," Mr Gandhi said.

Mr Gandhi expressed concern about the economic crisis faced by the third world. This matter has been discussed "among ourselves" and a number of connected issues would be taken up in various forums in developed countries which would have a more objective outlook to the problems of developing countries.

About disarmament, Mr Gandhi said he had discussed this matter during his recent visit to Moscow and with French leaders while in France. "I will take up this matter in Washington too," he added.

He answered in the negative when asked whether his meeting with the Polisario chief would amount to according recognition to western Sahara.

When asked how Africa could solve its food problem, he said "The best way is to try and work out what is good for a particular country and not to listen too much to the advice of other countries. India followed this path and is now self-sufficient."

Earlier, the Prime Minister gifted two eight-month-old panther cubs to an Algerian zoo.

Hundreds of children in colourful costumes cheered as Mr Gandhi handed over the cubs to the zoo authorities.

CSO: 4600/1703

24 July 1985

INDIA

NEW CABINET INSTALLED IN MAHARASHTRA

Calcutta THE STATESMAN in English 5 Jun 85 p 1

[Text] Bombay, June 4--Ten Cabinet Ministers and 12 Ministers of State in the Shivajirao Patil-Nilangekar Ministry in Maharashtra were sworn in at Raj Bhavan here this evening, reports UNI.

Professor Ram Meghe (Cabinet rank) and Dr Ram Manohar Tripathi (Minister of State) could not be sworn in because they were away from Bombay.

All the Ministers, except Mr Sushil Kumar Shinde, took the oath in the name of God and in Marathi, Mr Shinde took the oath in the name of solemnity.

The oath of office and secrecy was administered by the Governor to the Cabinet Ministers individually and to the Ministers of State en bloc.

The swearing-in ceremony was held at the Darbar Hall of Raj Bhavan.

The Ministry has five new faces--one of Cabinet rank and four Ministers of State.

Prominent among those present on the occasion were the outgoing Chief Minister, Mr Vasant Rao Patil, members of the judiciary, members of the consular corp, and a large number of civil and military officials.

Our Special Representative in Bombay adds: The most notable promotion is that of Mr Vijaysinh Mohite-Patil, a young leader from Solapur district of western Maharashtra. Mr Mohite-Patil's promotion as a full-fledged Minister, by-passing the claims of some other senior Ministers of State, is regarded here as an attempt by Mr Vasant Rao Patil to build a new power centre to rival that of Mr Sharad Pawar. Mr Nanatrao Thope, from Mr Pawar's Pune district, has also been promoted as Cabinet Minister.

Thus the promotion and induction of new faces in the Cabinet clearly indicates the astute hand of the former Chief Minister whose supporter, Mr Nilangekar-Patil had been. It also confirmed the impression that Mr Patil had been largely instrumental in choosing his successor.

However, the former Chief Minister has not been able to push in two of his staunch proteges into the new Cabinet.

According to a message from New Delhi, the newly-appointed Maharashtra Congress (I) chief, Mrs Prabha Rao, arrived here today for consultation with the party high command on revamping the party organization.

Mrs Rao, here for the first time after taking over as PCC(I) chief, declined to comment on the change of the leadership in the State.

Meanwhile, Mr Shivajirao Patil-Nilangekar has postponed his visit to the capital. Mr Patil was to arrive here this morning for consultations with the party high command about the composition of his Ministry.

Our Special Representative adds: Mr S.W. Dhabe, M.P., Deputy Leader of the Congress (S) party in Parliament, issued a statement congratulating Mr Patil-Nilangekar on being appointed Chief Minister of Maharashtra. He did not, however, approve of the manner in which the appointment was made.

CSO: 4600/1696

INDIA

CPI-M GENERAL SECRETARY SCORES CONGRESS-I POLICY

Bombay THE TIMES OF INDIA in English 6 Jun 85 p 5

[Text] Tribandrum, June 5--The CPM general secretary, Mr E.M.S. Namboodiripad, today said the current crisis in the ruling United Democratic Front in Kerala clearly showed that the Congress policy of forging alliances with other parties for the sake of power was a failure.

Participating in a "meet the press" programme here, he said Congress leaders at last seemed to have realised that this policy, pursued by the party for the last 25 years, had cost them heavily.

The fact that the Kerala chief minister, Mr K. Karunakaran and many other party leaders agreed in principle with the Youth Congress slogan of single-party rule indicated they were "fed up" with coalition politics, he added.

The CPM leader felt all parties could learn some vital lessons from the Kerala experience and reiterated that his party, which heads the opposition Left Democratic Front in the state, would never join hands with any party merely to capture power. It would not compromise on its basic principles.

He parried a question whether the Left Front would open its doors to the Kerala Congress in case it quit the ruling coalition.

Asked whether he felt the UDF ministry should resign in view of the serious conflict between the Congress and the Kerala Congress, Mr Namboodiripad said it could, technically, remain in power as long as it enjoyed majority support in the state assembly. However, the Kerala Congress should decide whether or not it should continue in the front after all that had happened.

The CPM leader said the people of a state had every right to "raise their voice collectively" if they felt justice had not been done to it by the Centre.

He felt the controversy between Mr Karunakaran and the finance minister, Mr K.M. Mani, over central assistance was part of a bid to conceal the "plain truth that 34 years of planning had failed," and had led to "a penniless Centre and bankrupt states." The Centre's failure to accept some recommenda-

tions of the finance commission had affected all states and this had not been highlighted by Mr Mani or Mr Karunakaran, he added.

Mr Namboodiripad also did not agree with the assertion of Dr K.N. Raj, noted economist, that justice had been done to Kerala in respect of the plan allocation and allied matters.

About the controversial speech of the electricity minister, Mr Balakrishna Pillai in Cochin, he said the minister was certainly guilty of "anti-national activity" if he had made the remarks attributed to him. The best way to deal with such elements was to "expose them and isolate them from the people."

CSO: 4600/1697

INDIA

CPI, CPI-M TRY TO RESTORE HARMONY IN RELATIONS

Coordination Committee Meeting

Madras THE HINDU in English 6 Jun 85 p 9

[Text]

NEW DELHI, June 5.

The CPI (M) and the CPI appear to have buried the hatchet and decided to make a fresh effort to restore harmony in their mutual relations.

The Central Coordination Committee of the two parties, which was virtually defunct for a long time, met here recently and agreed on the modalities of joint functioning of the two parties on major issues.

The leaders present at the meeting were Mr. E. M. S. Nambuthiripad, Mr. M. Basavapunniah, Mr. B. T. Ranadive and Mr. H. S. Surjeet from the CPI (M) and Mr. C. Rajeswara Rao, Mr. Indradeep Sinha and Mr. M. Farooqi from the CPI.

Though individual leaders of the two parties had met after the relations between the two parties became strained in the wake of the elections in Andhra Pradesh, this was the first meeting of the Committee in over six months.

In the elections in Andhra Pradesh last March, the two were contenders for a few seats and, in spite of efforts to secure mutual under-

standing, candidates of both parties contested the disputed seats. At the time both had levelled serious accusations against each other.

The understanding now reached envisages joint action against the economic policies enunciated by the Government in its budget for 1985-86, and in the import-export policy for three years announced in April. They are also fairly agreed on the Punjab issue and were critical of the Akali Dal.

There is a commonality of approach on issues like Assam, the agitation against reservations, and on building up movements of youth, students, women, workers and peasants.

The Coordination Committee decided that any difference between the two parties should be referred to it and it would function as a forum for exchange of views on current political developments in order to work out a common stand.

The Committee would meet at regular intervals and maintain records of its deliberations.—Our Special Correspondent

Details of Decision

Calcutta THE TELEGRAPH in English 12 Jun 85 p 12

[Text]

New Delhi, June 11: The CPI and the CPI(M) have resolved their differences and decided to work together on specific issues, it was officially announced here today. The decision was taken at a meeting of the Central Coordination Committee of the two parties on May 24 at the CPI headquarters.

The meeting adopted a "joint note of understanding" between the two parties and decided to "conduct joint movements on agreed issues along with left parties and secular democratic allies."

According to the CPI press statement, released in consultation with the CPI(M) leaders of both the parties thought it fit to release the details of the meeting because "some versions of this note of understanding have appeared in the press in a form that does not give the full and correct picture."

In a full text of the joint note of understanding, the two parties reviewed their attempts at joint movements during the past few years and chalked out steps that should be taken to further consolidate their relationship.

The first part of the note pointed out that since the last bilateral meeting of the two parties in 1978, cooperation between the two left parties had "shown positive results." Apart from joint leadership, the Kisan Morcha, the student-youth morcha and the peace march, the "two parties also played a positive role in the four all-India conclaves."

Elaborating on this "positive role," the joint statement noted that "the two parties, along with other left parties, made joint contributions in putting the conclaves on the correct rails, preventing them from being turned into platforms for electoral manoeuvring and turning the face of the secular Opposition towards joint mass actions."

Another significant contribution, according to the joint memorandum was "the successful work of organising state conventions on the question of war and peace which culminated in the all-India convention held on May 24, March 8 and March 9, 1984."

CSO: 4600/1698

INDIA

CPI-M POLITBURO MEMBER SAYS CPI 'NOT COMMUNIST'

Calcutta THE TELEGRAPH in English 8 Jun 85 p 4

[Text]

Calcutta, June 7: "The Communist Party of India (CPI) is not a communist organisation at all and can at best be regarded as a left party," Mr M. Basavapunniah, politburo member of the CPI(M), said here today.

Mr Basavapunniah, was addressing a meeting called by the Students Federation of India and the Democratic Youth Federation of India to condole the death of veteran CPM leader, S. Sundaryya.

In real terms, Mr Basavapunniah said, only the CPI(M) was accepted by the Indian masses and the world at large as the sole communist party representing the oppressed classes. "Right from the time of the formation of our party we have not approached any other communist party of another country for our recognition," he said, adding, "we believe the only authority that can recognise us are the people of our country. We feel proud that the Indian masses consider the CPI(M) to be the real communist party here. Had it not been the case we would not have been able to

attain the strength that we enjoy today. I am sorry to say that all other communist parties, not only in India but also in other countries, that preferred to follow the dictates of Khrushchev and company or the ideals of Chinese armed struggle are only fighting extinction now."

Describing his close relationship with Sundaryya in great detail, Mr Basavapunniah highlighted what he called "competent leadership" given by Sundaryya that saw the communist movement in the country through many vicissitudes. "A man of a sharp tongue that I am, I often criticised him in harshest of terms," he said, "but I hardly failed to grasp his cogent argument with which he dispelled the arguments put forward against him all the time."

According to Mr Basavapunniah, it was Mr Sundaryya who steered the party during its crisis in the 60s—once during the formation of the party when some leaders differed with the mainstream of the party and later during the break away of another group to form the Naxalites organisation.

CSO: 4600/1698

INDIA

KASHMIR NATIONAL CONFERENCE ISSUES WHITE PAPER

Bombay THE TIMES OF INDIA in English 7 Jun 85 p 12

[Text] Srinagar, June 6--The National Conference (Farooq) yesterday released its "white paper" indicting the government of Mr G.M. Shah, which came into office on July 2 following the dismissal of Dr Farooq Abdullah's ministry.

The 240-page cyclostyled document, consisting of eight chapters, covers the entire gamut of incidents from the dismissal of Dr Abdullah to the subsequent "politicisation of services and public sector undertakings, including banks" by the Shah government.

The chapters deal with the removal of the acting chairman of the legislative council and removal of the assembly speaker and the chief justice, denial of civil liberties and supersession of elected bodies such as panchayats, municipalities and notified area committees.

In his introduction entitled "Word With The Reader," Mr Sheikh Nazir, NC (Farooq) general secretary, recalls that the Jammu and Kashmir state acceded to India in 1947 following the partition of the Indian sub-continent into two sovereign and independent states of India and Pakistan. Assurances were given to its people that they would enjoy a measure of autonomy which would have no parallel among other states in the country. But in course of time the assurances and attendant constitutional safeguards proved to be more illusory than real. "And now, at the present stage, what distinguishes our state from other states in India is that our people have no right to have the government or judges of their choice in the state. For this we have to thank the policy of 'party before the people adopted by the ruling Congress at the Centre.'

A beginning in this direction was made in August 1983 when, as a result of a systematic campaign over a fairly long period, a coup d'etat was staged in the Jammu and Kashmir high court, dislodging the incumbent of the high office of chief justice.

This was intended to serve only as a prelude to the high drama which was enacted in Srinagar on July 2, 1984. Midnight knocks during the emergency could not have been as worse as the early morning call which Dr Abdullah

received from Raj Bhavan on that fateful day. What had been schemed through the stealth of the night, was a culmination of six-month-long conspiracies, resulting in the daylight robbery of the democratic functioning of the legislature and the executive in Jammu and Kashmir.

The duly elected popular ministry headed by Dr Abdullah was dismissed by the governor, Mr Jagmohan, at the behest of his masters in Delhi and in its place the puppet ministry headed by Mr G.M. Shah, which was brought into existence by means of amoral defections guided by considerations of "self before the nation," was imposed on the people.

In the recent Lok Sabha election, the people of the state rejected the unprincipled Shah regime with gross contempt.

"Unnerved by the verdict of the people, the amoral Shah regime tried to escalate the campaign of vilification against Dr Farooq Abdullah. Thanks to the media and the countrymen at large, they have condemned the move with one voice," Mr Nazir added.

CSO: 4600/1699

INDIA

RESENTMENT OVER REPLACEMENT OF CHIEF MINISTERS CITED

Calcutta THE STATESMAN in English 8 Jun 85 p 7

[Text] New Delhi, June 7--There is resentment in Congress (I) circles against the manner in which the duly-elected Chief Ministers are being replaced--Maharashtra being the latest example--and in the process plunging even the Congress (I)-ruled States into political instability.

The easing out of Mr Vasant Rao Patil in Maharashtra, which is being euphemistically described by the party's officials as a "smooth transfer of power," has surprised a section of the party who do not want to speak out for fear of disciplinary action. But they are questioning the need for a "transfer of power" in a State where the Government has a majority of only 18 seats in the Assembly and at a time when Mr Sharad Pawar is threatening to take over the leadership.

They refer to Mr Babasaheb Bhosale being eased out of the Chief Ministership and just prior to that Mr S.M.I. Aseer being imposed on him as the Maharashtra Pradesh Congress (I) Committee chief, just as Mr Patil has now been forced to go because of the "imposition" of Mrs Prabha Rao as the MPCC (I) chief.

It is acknowledged by all that but for Mr Patil's stewardship, the Congress (I) would not have secured the small majority it did in the March Assembly elections, after which he was re-elected Chief Minister. But Mr Patil was allowed to remain in that post for only three months.

On giving up office, Mr Patil sounded a mild warning of "Maharashtra's self-respect," which is reminiscent of the "Andhra pride" that came to the fore when four Chief Ministers were changed in the State in as many years, climaxing in the "humiliation" of the last Congress (I) Chief Minister, Mr T. Anjaiah.

The Congress (I) won a spectacular 43 out of 48 Lok Sabha seats in Maharashtra in the Lok Sabha elections. It slipped in the Assembly elections after 10 weeks and then lost the Bombay Corporation elections after another two months. Without a leader of Mr Patil's standing--his peremptory ouster having hurt Maratha sentiments--it is thought that it will not be long before political trouble erupts in the State.

It is still not clear why Mr Patil had to go. It is not because of Mr Sharad Pawar, whose entry into the Congress (I) is still not certain.

It is also not due to Mr Patil's remarks such as the "one man one post" principle, which were not meant for Mr Rajiv Gandhi or the reference to weaknesses of the party organization. If the charge is that Mr Patil spoke like the Shiv Sena leader, Mr Bal Thackeray, on the issue of "outsiders" entering Bombay, then Mr Nilangekar on assuming office has not spoken any differently either.

CSO: 4600/1702

INDIA

'SECRET' PAPER SAID TO PROPOSE DIVISION OF STATES

Calcutta THE STATESMAN in English 8 Jun 85 pp 1, 7

[Text] New Delhi, June 7--A highly confidential paper prepared by the backroom boys in the Prime Minister's office is reported to have recommended the division of the bigger States into smaller ones and conversion of the capital cities of Bombay, Calcutta, Madras, Gangalore, Hyderabad, Lucknow and others into Union Territories.

The objective, though unstated, is political and calculated to fortify the Prime Minister's rule at the Centre and remove all potential threats to him either from the regional parties and their leaders, or from within the Congress (I) units in the States.

If the State capitals are turned into Union Territories, the States, to that extent, could become weak, irrespective of whether they are ruled by the Congress or other parties. If the States are made smaller, the Chief Ministers would become at least proportionately less powerful. A weak State would be even more dependent on the Centre than the States are today.

The secret paper, however, hides the real intention with the specious argument that the growth of regionalism and parochialism has posed a threat to national unity. What the Prime Minister's lieutenants have in mind is that growth of the regional parties such as the Telugu Desam in Andhra Pradesh, the two DMKs in Tamil Nadu and also regionally powerful parties such as the CPI(M) in West Bengal and Tripura and the two Communist parties in Kerala and Bihar should be checked. Also, the influence of the Shiv Sena in Bombay city.

The paper has pointedly proposed that the only way to ensure the end of the Opposition Governments in West Bengal, Andhra, Tamil Nadu, Karnataka and Tripura is to go in for a division of the bigger States into smaller ones. It is stated that Andhra Pradesh, for instance, could be divided into small units of Telengana, Rayalseema and coastal Andhra. Similarly, Maharashtra could be divided into western Maharashtra, Vidarbha and Marathwada. Uttar Pradesh, Madhya Pradesh, Bihar and Gujarat have their distinct regions with perceptible identity. They too, could be divided into smaller States.

It is said that with the reduction of the States to the size of say, Haryana, the Centre will be in a position to control the Chief Ministers and the regional leaders of smaller States.

However, for public consumption, it is argued that it is easier and quicker to achieve economic and industrial development in smaller States. Haryana is cited as an example.

The paper has been submitted to the Prime Minister. But he has reportedly kept it in his drawer for consideration at the appropriate time.

It is learnt that Mr Vasantrao Patil, who recently resigned as the Maharashtra Chief Minister, had an inkling of the contents of the paper, particularly the proposed conversion of Bombay into a Union Territory. He reportedly passed on the information to the Shiv Sena chief, Mr Bal Thackeray. This was at the time of the elections to the Bombay Municipal Corporation in the last week of April.

It was grist to Mr Thackeray's mill, and he exploited it to whip up parochial feelings in the city. In the elections, the Congress (I) managed only 36 seats in the 176-member corporation. The Shiv Sena rose to power by winning 76 seats.

CSO: 4600/1702

INDIA

REPORTAGE ON PREPARATIONS FOR SEVENTH 5-YEAR PLAN

Public Sector Outlay Approved

Calcutta THE STATESMAN in English 5 Jun 85 p 1

[Text] New Delhi, June 4--The meeting of the Planning Commission, presided over by the Prime Minister here today, gave its approval to a total public sector outlay of Rs 1,80,000 crores for the Seventh Plan (1985-90) as envisaged in the approach document which was approved by the National Development Council last July.

The meeting, however, reportedly strongly recommended to the Government that the tax-income ratios would have to be substantially increased during the remaining years of the Plan period to mobilize resources for the Plan.

In sum, the meeting did not favour the all-out reductions in the taxation levels in the Budget for 1985-86. It was felt that in view of the heavy resource constraints one would have expected the Budget to provide for a substantial revenue surplus.

The rate of growth is expected to be a little over 5% aimed at the fulfilment of Seventh Plan objectives.

The gap in the total foreign exchange resources required for the Plan is expected to be around 1.3% to 1.5% of the Gross Domestic Product.

Of the total size of Rs 1,80,000 crores, the outlays of the Centre, States and Union Territories have been fixed by the meeting at Rs 95,734 crores, Rs 80,498 crores and Rs 3,768 crores, respectively. The outlays of all the States, except Punjab, have already been finalized with a total allocation of Rs 74,812 crores. The amount of Rs 5,686 crores has been left for Punjab's five-year Plan.

According to an official announcement, the sectoral allocations had already been approved by the commission on the basis of its discussions with the States, the Union Territories and a majority of Central Ministries.

The commission has already undertaken the formulation of the Plan, and a draft document will be placed in July for the Cabinet's approval. The National Development Council will be convened in September to approve the draft.

Opening the meeting, Mr Rajiv Gandhi laid emphasis on the implementation of the Plan and on better performance of the public enterprises. The Prime Minister pointed out that the monitoring of the key elements of the Central and State Plans and projects would lead to better implementation. Strict financial discipline and control of inflation were needed to protect the size of the Plan in real terms.

The meeting was attended by the Defence Minister, Mr P.V. Narasimha Rao and the Finance Minister, Mr Vishwanath Pratap Singh. Mr Manmohan Singh, Deputy Chairman of the Planning Commission, Professor C.H. Hanumantha Rao, Mr Raja Chelliah, Mr Abid Hussain and Mr Hiten Bhava, members of the Planning Commission were also present.

PTI adds: The meeting was specially called to approve the Seventh Plan outlays before the departure of the Prime Minister on his fortnight-long tour of France, the USA and other countries to enable the commission to go ahead with the finalization of the draft Plan.

Today's meeting ends all uncertainties and has given a green signal for the preparation of the Seventh Plan on the basis of a public sector outlay of Rs 1,80,000 crores.

Cut in Plan Overruled

Calcutta THE TELEGRAPH in English 6 Jun 85 p 6

[Article by Rita Manchanda]

[Text]

New Delhi, June 5: The Prime Minister, Mr Rajiv Gandhi, has overruled the objections raised by the Union finance minister, Mr V.P. Singh, regarding the size of the Seventh Plan.

It is learnt that at yesterday's meeting of the Planning Commission, Mr V.P. Singh was hesitant on the size of the Seventh Plan as he felt adequate resources could not be mobilised to finance it.

The finance minister drew the Planning Commission's attention to the fact that there would be a substantial hike in defence expenditure in view of Pakistan's determination to acquire nuclear weapons' capability.

This, he said, would further erode the resources situation.

Mr V.P. Singh pointed out that even if existing resources were stretched to the maximum, they would only be able to generate approximately Rs 1,69,000 crores. He was sceptical whether a massive additional resource mobilisation was possible to finance a Rs 1,80,000 crores Plan outlay.

He was also doubtful about whether the public sector would be able to generate the projected resources. Moreover, for purposes of political expediency, some new schemes would have to be undertaken outside the Plan.

The Centre was also committed to finance new Plan schemes, like the Ganga anti-pollution scheme, development of non-renewable sources of energy and oceanography projects. It was, therefore, feared that some conventional sectors, like railway infrastructure, falling under the Central Plan, would suffer.

Regarding sectoral allocation in the Plan outlay, it was pointed out that the share of transport in the Plan would decline from 23 to 13 per cent in the Seventh Plan. However, the Prime Minister was particularly emphatic that in sectoral allocation there must not be any mismatching.

The commission has also decided that the Centre would

transfer Rs 30,000 crores as Central assistance to the state Plans. The Planning Commission had earlier envisaged that the total size of the states' Plans would be Rs 64,000 crores. Some states had strongly objected to this figure and a chief minister had even walked out of the meeting convened to discuss the size of state Plans. This resulted in the state Plan outlay being fixed at Rs 80,498 crores.

The Seventh Plan outlay for states would increase by 64 per cent over the actual expenditure in the Sixth Plan while the Central outlay, of Rs 95,734 crores, had increased by 62 per cent over the actual Sixth Plan expenditure.

Support from Oil Revenue Unlikely

Calcutta THE TELEGRAPH in English 12 Jun 85 p 9

[Article by Bhaskar Dutta]

[Text]

Almost everyone will agree that the Sixth Five-Year Plan has been the most successful in our three and half decades of planning. The overall growth of GNP during the Sixth Plan works out to 5.2 per cent per annum, the first time that the crucial GNP target has been achieved. We have experienced a fair degree of price stability, and the agricultural sector has also more than fulfilled its target, resulting in very comfortable buffer stocks with the government.

However, at least some economists feel that the success of the Sixth Plan is more apparent than real. The average industrial growth rate during the Plan is only 5.8 per cent, which is significantly below the stipulated target. Added to the modest performance of the manufacturing sector is the unbalanced growth in the agricultural sector. Even the Economic Survey has been forced to admit that the buoyant agricultural phenomenon has been built mainly around production gains in

wheat and rice, whereas productivity gains in crucial crops like pulses and oilseeds have been completely absent.

Perhaps the most heartening feature of the Sixth Plan has been the phenomenal increase in crude oil production. Indeed, several of the government's critics claim that the Sixth Plan would have been in a shambles but for the impressive gains in crude oil production. Production of crude had almost trebled during the five years, and is just over 29 million tonnes in 1984-85. This astronomical jump in domestic production implies that we now have to import less than a third of our total requirements of crude, whereas at the beginning of the Plan, imports accounted for as much as two-thirds of our domestic consumption. This also means that the share of net POL (petroleum, oil and lubricants) imports in the total import bill has fallen from 42 per cent in 1980-81 to less than 20 per cent in 1984-85. Our balance of payments situation would have been beyond repair

if POL imports had to be sustained at the relatively high levels of the past.

New reserves

The million dollar question is whether the crude oil sector will continue to make a contribution of equal magnitude during the Seventh Plan period and beyond. Unfortunately all the indicators seem to suggest that the improvement in crude production may not be sustainable at least in the next five years. The tremendous success during the Sixth Plan was almost wholly due to the fact that exploration work in the Fifth Plan was highly fruitful and easily recoverable oil reserves were established in Bombay High. As much as 21 million tonnes of the total production of around 29.5 million tonnes produced in 1984-85 came from Bombay High.

However, no new oil reserves of any significance have been discovered during the Sixth Plan itself. Exploration in both onshore and offshore areas on the east coast have been rather

disappointing. Several oil wells drilled in the Cauvery basin subsequently turned out to be dry although initial reports were highly optimistic. Certain technical snags have also cropped up in certain areas, an important one being the failure of ONGC to drill to the targetted depth of 5500 metres because of the pressure encountered at these depths.

Gestation lag

There is a long gestation lag between the discovery of an oil field and its commercial exploitation, the time span being as much as five years in the case of offshore discoveries. Thus, the failure to discover any new fields during the Sixth Plan means that production during the Seventh Plan will not rise appreciably above the current figure. Indeed, the total oil production in 1989-90 will be only 35 million tonnes, according to an estimate prepared by a ministerial working group. This represents only a modest 16 per cent rise in the next five years, certainly a far cry from the 200 per cent increase recorded during the Sixth Plan.

Even this small targeted increase may prove to be unattainable. Given the absence of any new discoveries during the last five years, any increase in production must obviously come from more intensive exploitation of existing reserves. Some observers feel that the rate at which ONGC is extracting oil from Bombay High is already above the optimum rate of depletion. The scope for any further increase in the rate of extraction is thus rather limited since this would result in a premature drying-up of the wells. Hence a part of the additional production during the Seventh Plan must come from the older wells through what are known as secondary recovery methods, the most popular one being that of water injection.

More natural gas

Some of the adverse effects associated with the almost marginal increase in crude oil production during the Seventh Plan will be neutralised by a substantial increase in output of natural gas. ONGC's gas production expected to increase from 7.40 billion cubic metres to 13.2 billion cubic metres during 1985-1990, while Oil India's production will remain unchanged at around 1.60 billion cubic metres. However, so far we have not really utilised natural gas to the desired extent, and a lot of the gas output from Bombay High has been flared. The government has set up a separate body called the Gas Authority of India and it is expected that this will lead to much better utilisation. The giant Hazira gas-based fertiliser plant will start operation during the Seventh Plan, and it is also certain that the use of liquefied gas as cooking fuel will be promoted on a large scale. These will further reduce imports of fertilisers and petroleum products like kerosene.

Bleak outlook

Despite all this, the outlook on the oil front for the Seeserves. Some observers feel that the rate at which ONGC is extracting oil from Bombay High is already above the optimum rate of depletion. The scope for any further increase in the rate of extraction is thus rather limited since this would result in a premature drying-up of the wells. Hence a part of the additional production during the Seventh Plan must come from the older wells through what are known as secondary recovery methods, the most popular one being water injection. This claim may well be correct because a great deal of luck is required for the successful location of commercially viable oil wells. The Cauvery basin certainly satisfies all the geological prerequisites of an oil rich region and improved drilling practices made possible through technolo-

gical advances may well bear out the ONGC's contention.

It is essential that ONGC and Oil India step up the pace of exploration activities because unless new Bombay Highs are discovered soon, the prospects for the 1990s will be rather grim. Of course, these two agencies must be given credit for realising this. They have already asked for a total Seventh Plan outlay of over Rs 20,000 crores for exploration and production, compared to about Rs 6,800 crores spent during the Sixth Plan. The lion's share of the additional outlay is being asked for by ONGC, which has drawn up a particularly ambitious scheme of exploration. ONGC plans to drill 1300 development wells, both onshore as well as offshore. Besides this, there is also provision for exploratory drilling in several regions and onshore geological and gravity magnetic surveys.

Fund priority

Of course, a lot depends on whether the government sanctions the necessary funds. ONGC and Oil India together hope to generate internal resources to the extent of almost Rs 12,000 crores during the Seventh Plan period. This will still leave a sizeable short all of about Rs 8,000 crores. There are fears that given the tight resources constraints being faced by the economy, the government will be forced to slash plan outlays across the board. If this happens, then it is doubtful whether ONGC and Oil India will be spared. However, any cutback on exploration for oil would be an extremely retrograde step. Despite the current glut in world oil markets, the prognosis for the 1990s is not at all comfortable, and the easiest option available to us is to aim for increasing self-sufficiency. Thus, the crude oil sectors should be given the highest priority during the Seventh Plan.

INDIA

MINISTER ANNOUNCES GOVERNMENT'S NEW TEXTILE POLICY

Details of Policy

Madras THE HINDU in English 7 Jun 85 p 1

[Text]

NEW DELHI, June 6.

The Government is removing curbs on expansion or creation of new capacity in the mill sector and making it possible for mills to use different fibres under the new textile policy. The Union Minister of State for Textiles Mr. Chandrasekhar Singh, who announced the policy here today said it envisaged, among other things, reduction in the fiscal levies on man-made fibres and yarn to bring down prices of synthetics and blends to the consumer, compulsory registration of powerlooms to ensure healthy, regulated growth of this sector and a package of measures to promote the handloom sector.

No preferential treatment

According to Mr. Singh, the main thrust of the policy is to increase production of cloth of acceptable quality at reasonable prices to meet the clothing requirements of the population. He expected the measures to enable the mill sector improve its working and recover from sickness. Similarly, the removal of curbs on the powerloom sector was expected to ensure its healthy growth. As powerlooms had demonstrated inherent strength, they would no longer get preferential treatment or concessional fiscal levies. They would have to compete with the mill sector.

The need for a new policy was felt as the Government found that objectives outlined in the textile policy statement of 1981 had not been fully achieved. The *per capita* availability and consumption of cloth still remained at a very low level, the Minister said. There was evidence of an increase in the incidence of sickness, particularly in the organised mill sector, and a large unsatisfied demand for durable synthetic and blended fabrics at cheaper prices, which was not being met by indigenous production. The full export potential of textiles still remained to be realised.

The textile industry had so far been viewed in terms of various sectors, namely, organised mills, powerlooms and handlooms, or in terms of fibre use namely, cotton, man-made and silk. Classification on such grounds had led to structural rigidities.

Under the new policy the industry will be viewed in terms of the stages of its manufacturing process, spinning, weaving and processing. It will be subject to more pragmatic policies regarding creation or contraction of capacity by units in order to increase competition and promote healthy growth.

In the spinning sector, steps will be taken to ensure optimum utilisation of capacity. The availability of raw materials will be augmented and measures to encourage and increase spinning in the khadi sector will be taken in view of its large employment potential.

In the weaving sector, the distinct and unique role of handlooms shall be preserved. Powerlooms in the organised and unorganised sectors will, as far as possible, be treated at par and allowed to compete on the basis of their inherent strengths and capabilities.

In the processing sector, independent power processors and processing houses in mills will be treated at par and each allowed to operate on the basis of its competitive strength. The small hand-processing units with limited output will receive special consideration.

Full fibre flexibility

The multi-fibre approach will be guided by the following considerations:

(i) Full fibre flexibility as between cotton and man-made yarn will be provided. Greater fibre flexibility in the use of wool will be provided in a phased manner to units licensed for cotton and man-made textiles. Woollen units will also be given full fibre flexibility.

(ii) Adequate availability of man-made fibres/yarn at reasonable prices will be ensured by increased domestic production supplemented as necessary by imports.

(iii) Creation of capacity by new units and expansion of capacity by existing units for production of synthetic fibres/yarn will be so determined as to realise economies of scale to reduce production costs.

(iv) Fiscal levies on man-made fibres/yarn, and on the intermediates used as inputs for the production of such fibres/yarn, will be progressively reduced to facilitate absorption of increased domestic production, so that the benefit flows to the consumer in the form of lower prices and, (v) the export window will be kept open for man-made fibres/yarn.

The pre-eminent role of cotton as the main raw material of the textile industry is proposed to be maintained. Utilisation of indigenous cotton will be ensured by domestic consumption and by export of cotton, yarn and other manufactures.

The role and functions of the Cotton Corporation of India will be re-formulated to include price stabilisation operations. For this purpose, the corporation will have the necessary access to international markets.

The present varietal imbalance of cotton will be corrected by a mix of policies aimed at encouraging increasing use of long and extra-long varieties of cotton on the one hand and higher production of short and medium staple varieties on the other.

Allowed to reduce capacity

Capacity expansion by existing units and capacity creation by new units will be permitted

subject to the general industrial policies including the provisions of the MRTP Act and FERA. As a corollary, mills will be allowed to contract capacities, including closure of units or part thereof, wherever necessary and justified, provided the interests of the workers are fully protected. This approach will increase competition in the industry and create an environment conducive to cost reduction and quality improvement.

There will be compulsory registration of all powerlooms and organisation of production in the sector will be guided by the objectives of raising productivity, increasing efficiency, improving workers' welfare and facilitating locational dispersal. It will be ensured that powerlooms do not violate the locational guidelines for industries, particularly in large cities and metropolises. Effective measures will be taken to see that they do not encroach upon articles reserved for exclusive production by the handloom.

Take over ruled out

PTI, UNI report:

While he was not in a position to give details of sick mills in the private sector, Mr. Chandrasekhar Singh said in the State owned National Textiles Corporation 22 of total of 125 mills were losing for the past several years, eight of them heavily. Efforts would be made to revive even these eight.

The Minister said the domestic textile machinery manufacturing industry would be given all encouragement to reduce cost and upgrade technology. But liberal import of machinery not manufactured in the country would be permitted.

Policy on Handloom Sector

Madras THE HINDU in English 7 Jun 85 p 7

[Text]

NEW DELHI, June 6.

The handloom sector will be entirely responsible for the production of controlled cloth by the end of the Seventh Five Year Plan, the Textiles Minister, Mr. Chandrasekhar Singh said here today. Announcing the new textile policy, he said the quantum of this and janata cloth, fixed at 650 million metres, would be suitably increased to provide more cloth for the poorer sections. Measures will be taken to improve quality and to ensure that the cloth reaches the target group.

Mr. Chandrasekhar Singh said the development of the handloom sector would be intensified through cooperatives and Central or State level corporations. Greater emphasis would be placed on the modernisation of looms and provision of technological inputs to preserve the unique role of the handloom sector and to ensure higher incomes for weavers.

To this end, special efforts will be made to ensure adequate availability of yarn and other raw materials, and production of mixed and blended fabrics encouraged. To improve the

competitiveness of handlooms, steps will be taken to remove, as far as possible, the cost handicap of handlooms *vis-a-vis* the powerlooms by suitable fiscal measures.

Package for rehabilitation: As for sickness in the textile industry, Mr. Singh said the policy envisaged a suitable financial package for rehabilitation of potentially viable units. A nodal agency would be designated to evolve and manage this package. In case of units which had become sick by inept management or mismanagement, the existing management would be changed.

Any unit which has no chance of becoming viable in a reasonable period, will be allowed to close provided the interests of the workers are protected. Take over by the government or nationalisation of such sick units is ruled out under the policy.

Modernisation in the spinning, weaving and processing sectors will be undertaken on the basis of carefully identified needs of each unit as to installation of balancing equipment, renovation of existing machinery, replacement and technology upgradation. For modernisation, enough funds will continue to be provided under the IDBI's soft loan scheme. To enable the industry to generate internal resources for modernisation, a textile modernisation fund will be created. A nation-level standing advisory committee will be set up to identify on a continuous basis the needs of modernisation and

the type of modernisation that the industry should adopt.

PTI, UNI report :

Subsidy of Rs. 2: The handloom sector will get a subsidy of Rs. 2 a metre for producing controlled cloth. The total subsidy for controlled cloth at present was Rs. 120 crores to Rs. 130 crores and might go up by another Rs. 40 crores, the Minister said in reply to a question. A dhoti of eight metres might cost Rs. 20 at the subsidised rate.

Asked whether the transfer of responsibility of producing controlled cloth to the sector would mean that the mills, which earlier had this responsibility, would be shorn of all social obligation, the Minister said they would be responsible for passing on the benefits of reliefs given to them under the new policy to the consumer, and to meet their obligation to labour.

As part of a scheme to provide relief to workers displaced by permanent closure of units, a rehabilitation fund is sought to be created. The fund, to be financed by a suitable cess on the textile industry, would provide relief to workers for a temporary period.

Can't ignore 75 lakh workers: Asked whether, with the subsidy now being transferred to the handloom sector the mills could produce cheaper cloth for the common man, the Minister said the Government could not ignore the 75 lakh workers in the handloom sector.

The Minister said the duty restructuring would start in a day or two.

CSO: 4600/1700

24 July 1985

INDIA

BUSINESSMAN CITES DISTURBING TREND IN TRADE WITH FRANCE

Calcutta THE TELEGRAPH in English 10 Jun 85 p 6

[Text]

Bombay, June 9: The number of Indo-French collaborations in the private sector has not been quite impressive, according to Mr Harish Mahindra, president of the Indo-French Chamber of Commerce and Industry (IFCCI).

Mr Mahindra also expressed his concern with the trend in Indo-French bilateral trade. The total volume of trade increased to Rs 695 crores from Rs 483 crores in 1983, roughly 44 per cent. However the deficit for India increased to Rs 179 crores from Rs 50 crores. Moreover, Indian exports are mostly traditional goods and despite best efforts there has been no improvement in engineering exports, which continue to be at the level of about four per cent of total exports to France. In 1984 imports from France on the other hand shot up to Rs 437 crores from Rs 267 crores in 1983, as a result of the liberalised import policy adopted by the Union Government. Mr Mahindra suggests that France should have greater buy-back arrangements for the purchase of products manufactured in India with French collaboration.

Of about 740 foreign collaboration approved by the Union government in 1984, only about 38 or roughly five per cent were between India and France. IFCCI has, of course, taken every opportunity to convey to French businessmen the vast

prospects of industrialisation opening up with the launching of the Seventh Plan. It also explained the greatly improved climate for transfer technology and industrial collaborations resulting from the various steps taken to liberalise procedures and regulations and also for diversification of Foreign Exchange Regulations Act (FERA) companies. But, somehow, the pace of Indo-French collaboration has remained slow.

The collaborations sanctioned in the private sector in 1984 were in the fields of oil fired boilers, low density polyethylene, electrical circuit breakers and contractors, hydraulic and electric fork lifts, propylene oxide and glycols, Peugeot diesel engine, automobile ancillaries, sports goods, technical services for training in cement plants etc.

Mr Mahindra fears that completion of the huge aluminium complex by the National Aluminium Company with French collaboration is likely to be delayed with the cost mounting to more than Rs 2200 crores from the original estimate of Rs 1200 crores. He doubts whether at this level of installed cost, the plant will be economically viable. However, other collaborations such as those for digital switching telephone communication systems, teleprinters and magnetic ink character recognition are progressing well.

CSO: 4600/1705

INDIA

COMMENTATOR WRITES ON PAKISTAN NUCLEAR CAPABILITY

New Delhi PATRIOT in English 20 Jun 85 p 4

[Article by R.R. Subramanian]

[Text]

Today, one sees officials of the Pakistani Foreign Ministry admitting that its programme at Kahuta is capable of producing enriched uranium only upto five per cent. Any nuclear enrichment facility that can increase the content of the fissile uranium 235 from 0.7 per cent to five per cent, can in theory also jack it up to 90 per cent.

It is exactly six years since Pakistan's pursuit of nuclear enrichment technology was made public. At that time Islamabad refused to acknowledge the existence of such a programme and went so far as to say that all revelations about it in the Western media were part of motivated Zionist propaganda.

Today, one sees officials of the Pakistani Foreign Ministry admitting that its programme at Kahuta is capable of producing uranium enriched only up to five per cent. This admission is in itself interesting in that any nuclear enrichment facility that can increase the content of the fissile uranium 235 from 0.7 per cent (occurring naturally) to five per cent, can in theory also jack it up to 90 per cent—the purity that is required for a weapons grade critical assembly.

The centrifuge technology is based on the European consortium URENCO's design. The brilliant metallurgist Dr Abdul Qadir Khan has successfully adapted this technology at Kahuta. This allows for the fact that all the 3000 centrifuges need not be loaded at the same time. As and when they are ready they can be added on to the rotating assembly.

According to a report prepared by the US Congress Office of Technology Assessment in 1978, once reactor grade uranium (three per cent) is available, the URENCO design requires merely 400 centrifuges to produce weapons grade uranium.

One must then assume that Dr Qadir Khan's claim in February 1984 that "given the green signal he could produce an atomic bomb", was not an idle boast. The Dutch Parliament's enquiry into the A. Q. Khan affair in 1981 had revealed that 6200 martensitic age hardened steel tubes had been purchased by Pakistan through several dummy companies in Europe. At that time it appeared as if A Q Khan was emulating his counterpart Ampie Roux of South Africa and working on the novel "vortex tube" technique. Events since then have proved that conjecture wrong. Khan has chosen to merely spin his centrifuges at twice the speed of sound and not put them into a "vortex" motion.

In December last year, U S officials based in Washington had warned President Zia-ul Haq that his programme of enrichment, might jeopardise the 3.2 billion dollar military and economic aid started in 1981. This warning was actually conveyed in a letter from President Reagan to Gen. Zia in September 1984. Though the contents of the letter were not revealed, the Pakistani newspaper Nawai-e-Waqt claimed at that time that President Reagan was offering a nuclear umbrella to Pakistan. It turned out later, that what the letter did was to warn Zia not to process uranium at the "unsafeguarded" Kahuta plant beyond the five per cent enrichment. The Financial Times of London on 6 December last quoted a US official describing the Reagan warning as a new "marker" which Pakistan must respect. Other "markers" communicated to Pakistan included not to test a bomb, not to assemble a bomb, and not to ask another country to test a device on Pakistan's behalf (a clear reference to China).

This allowance of five per cent by Washington is spurious. If, as the Pakistan leaders claim, the Kahuta programme is purely for peaceful purposes, then why not three per cent (the enrichment grade that is usually nec-

essary for the operation of nuclear reactors)?

It appears as if the Reagan Administration, in order to please both the non-proliferation lobby in the US Congress and the military leadership in Islamabad, chose the benchmark as a sort of compromise formula. Washington, having lobbied in the Senate in 1981 to waive the provisions of the Symington Amendment of 1976 to the Foreign Assistance Act (which explicitly forbids American military aid to countries that are embarking on a nuclear weapons capability through enrichment) to accommodate Pakistan, on the bogey of Soviet intervention in Afghanistan, now finds itself in an embarrassing position.

However, what the United States has chosen to forget is that Pakistan need not test the uranium bomb. In 1945, American scientists had not tested the Hiroshima bomb, because they had reasonable confidence that the bomb derived from enriched uranium would go off. This is not to suggest that all countries that have built enriched uranium bombs have not tested their bombs. Rather, the oppo-

site is true. What is being suggested is that Pakistan can reasonably "cover all its bets" and maintain its ambiguity.

For the first time, the Ministry of Defence in its Annual Report this year has drawn attention to Pakistan's nuclear developments. And Defence Minister P V Narasimha Rao recently said that Government would like to elicit the views of Parliament on the options that are available to India.

In view of Pakistan having reached the five per cent benchmark, with the acquiescence of the United States, several possibilities arise. To name a few:

- a) Pakistan continues to upgrade Kahuta; or
- b) Pakistan stockpiles enriched uranium and does not detonate; or
- c) Pakistan detonates in 1986 (after all the 3.2 billion dollar aid has come) and then claims it is a peaceful nuclear explosion.

New Delhi is seized of the gravity of the situation, but there is a need of public debates on the pros and cons of the various "options" before the country to help leaders to take the right decisions.

INDIA

BRIEFS

INDO-CUBAN NUCLEAR ENERGY PACT--Havana, May 30--India and Cuba have reached an agreement on the peaceful use of nuclear energy, the first such understanding between the two countries, reports Tanjug. The agreement provides for cooperation in the use of nuclear energy in medicine, de-radiation of foodstuffs, physics and other domains and will provide the base for broader cooperation in the field. The agreement was signed here by the chairman of India's Nuclear Energy Commission, Dr Raja Ramanna, and the Executive Secretary of the Cuba Nuclear Energy Commission, Mr Fidel Castro, the son of President Castro. [Text] [Calcutta THE STATESMAN in English 31 May 85 p 13]

MORE MAHARASHTRA MINISTERS--Bombay, June 6--Mr Ram Meghe and Dr Ram Manohar Tripathi were sworn in as Minister of Cabinet rank and Minister of State, respectively, in the Nilangekar Ministry this afternoon. The Maharashtra Governor, Mr Kona Prabhakar Rao administered the oath of office. With this, the strength of the new Cabinet has gone up to 25 inclusive of the Chief Minister. Mr Meghe and Dr Tripathi could not be sworn in with the other Ministers on Tuesday as they were out of station. Those present at the simple ceremony at Raj Bhavan included the former Chief Minister Mr Vasant Rao Patil, the Assembly Speaker, Mr Shanker Rao Jagtap, Mr Nilangekar and his party colleagues.--PTI [Text] [Madras THE HINDU in English 7 Jun 85 p 7]

CSO: 4600/1701

IRAN

U.S. ACCUSED OF IRANIAN AIR FORCE DISAPPEARANCE

Athens ETHNOS TIS KYRIAKIS in Greek 9 Jun 85 p 19

[Excerpts] In the past 3 months the world has witnessed a surprising phenomenon: Iraq's Air Force is mercilessly bombing Teheran and other Iranian cities. Three hundred destructive raids have been carried out during this period without even a trace of reaction from the Iranian Air Force. And yet, in the days of the Shah, the Iranian Air Force was one of the largest and best in the world. What happened to it? How did it disappear? There is an answer, which is really surprising, and it is provided by "Solon," our special correspondent, with the following analysis of events:

An astounding mystery--the greatest in our times and perhaps in all time--is surfacing out of the marshes and the steppes where, for nearly 4 years, the war between Iran and Iraq is being waged in continuously widening circles, as in an ancient tragedy. In view of the fact that this war has now escalated to a duel with attacks in depth against cities, those who know the size of the forces of the two opponents ask themselves, "What is going on behind this mystery? What unknown and invisible force swallowed up the weapon that could have terminated the conflict in a few days?"

The mystery, over which experts are racking their brains, is that the Iranian Air Force, which was the seventh numerically (first-line aircraft) and the sixth most powerful in the entire world, has disappeared from the face of the earth.

As a matter of fact, in the days of the Shah, Iran had taken on the role of policing American strategic and economic interests in the Persian Gulf and throughout the entire Near East.

It was natural for America to arm this policeman and gate-keeper to the teeth and without prejudice.

The best aircraft of the day, with the highest technology applied to every detail, were being handed over in vast numbers to the Iranians.

The Strength

The war between Iran and Iraq broke out. Those experts who knew the military potential at the disposal of the two combatants shook their wise heads in commiseration. "A totally unequal war," they said and added, "Iraq is doomed."

As a matter of fact, Iran had a population of 38 million and Iraq one of 13 million.

Iran had a GNP of 76 billion dollars and Iraq one of 21 billion dollars.

As far as their main weapon, the Air Force, was concerned, the numerical and, and even more, the qualitative superiority of Iran was obvious.

This war was a source of surprises from the very beginning. Both military leaderships showed an incompetence and technical ignorance that dumbfounded the experts. There was no application of the principles of war regarding the husbanding of forces and concentration. There was no idea of real maneuvering. It was the epitome of clumsiness: infantile strategy, a total dispersion of forces in a series of operations that were futile and disjointed.

In this whirlwind of paradoxes there stuck out like a sore thumb the mystery: What happened to that all-powerful air force of the Shah that Khomeyni inherited intact? Why did it disappear?

There is, in the Atlantic Ocean, the famous "Bermuda Triangle" where, in earlier days, ships were lost as if the sea had swallowed them up.

"Triangle?"

Is there perhaps in the skies of Iran and Iraq a similar "Bermuda Triangle" that swallows up aircraft? Except that here, we are dealing with an entire aerial armada and one of the largest in the world.

Where are those formidable attack squadrons (FGA [Forward Ground Attack]) of the Shah that would have set Iraq afire like a torch?

Where are the formidable and indomitable ultramodern interceptor aircraft that would have shot down the Iraqi bombers and fighters as if they had been flies when they appeared in the Iranian skies?

Silently, inconceivably, without a whimper, the formidable Iranian Air Force ceased to exist or, to be exact, almost ceased to exist.

The bottom line in the mystery is that the downfall of the Shah's impressive and triumphant air force did not occur gradually, after a 4-year war of attrition, to reach its present sorry state.

It came about with lightning speed, within the first months and not in the 4 years of the war.

As a matter of fact, the yearbook of the International Strategic Institute of London (it is the most reliable source of military information in the Western world), in its 1981 edition, which published the data obtained in the course of the war's first year, that is, 1980, provides these amazing numbers:

Iran's combat air force went from 445 down to 100 serviceable aircraft in 1980, that is, in only a very few months.

Of the 77 F-14 aircraft, only 9 were usable.

Only 50 of the 202 "Phantoms" were usable and only 41 of the 166 F-5's.

It was then that the mysterious disappearance took place.

To what was it due?

Were they shot down in combat?

Absolutely not. The Iraqis themselves report shooting down or destroying on the ground only 35-40 Iranian aircraft.

Are the Iranian pilots incapable of handling them well?

Absolutely not. The Iranian pilots were excellently trained in America. In addition, no matter how clumsy they might have been they would have managed to become aces during 4 years of war.

Was it that the Iranian technicians did not know how to service them properly?

Absolutely not. The Iranian technicians had also been trained in America. In addition, the technical training level of the Iranian people is not that low.

Spare Parts

Is it that Iran cannot secure spare parts for its aircraft?

Absolutely not. An air force always has a stockpile of spare parts. In addition, spare parts are available in a world-wide market where all that is necessary is for one to have dollars in order to find whatever one wants, from mousetrap components to satellite equipment.

The subject was covered by the writer. I mentioned, for the first time in the Greek press, in a 1983 article in the merchant marine magazine SHIPPING MIRROR that examined the possibility of Iran closing--as Khomeyni was threatening--the Straits of Hormuz. I concluded that he could not do it with his air force, as many thought, simply because Khomeyni's air force had ceased to exist and I provided the above-mentioned data, which were unknown until then.

I did not stop investigating the mystery in discussing it with friends, high-ranking military officers, former chiefs of staff and fleet, etc. The most important contribution to the investigation, however, was made by the military attache of a great power who exclaimed with admiration:

"What trickery!"

The expression in the everyday Greek vernacular means: "What an underhanded trick!"

And he explained to me:

"The rendering useless of 400 Iranian aircraft is not due to the fact that in leaving Iran the Americans left the Iranian planes without spare parts; on the contrary, they left them with a large surplus of parts, nor because the planes they sold them were old models; on the contrary, they were marvelously built.

"Yes, my friend, you'll never catch the Yankees being someone's laughing stock. The aircraft and parts they gave Iran were perfect, more than perfect. They were purposely equipped with such unbelievably modern technology that they needed specialists--Americans--who need many years to learn their technology. The same is true for the Iranian technicians who require a great many years to learn their technology, perhaps more than a decade of intensive training."

And he added emphatically:

"If you wanted to study American air technology you should have gone to Iran, not to America. The American aircraft of the Iranian Air Force have technological secrets which are not used in the aircraft of the American Air Force. Thus, the departure of the Americans from Iran doomed 400 Iranian aircraft to immobility among mountains of spare parts and basic instruments that were useless, not because they were of poor quality, but because they were more than perfect ..."

This explanation was heard by a Greek, a former chief of one of our staffs. When the foreigner finished speaking, I asked the Greek:

"What do you think about all this? Does this solve the mystery?"

"As far as I am concerned it does. Can you detect the moral of the story?"

I thought about it a long time before I understood what he meant. Finally, I think that I found it. We too will now acquire American aircraft with the "purchase of the century." Additional checks will be needed, not just the usual and established ones, but reservations as well regarding the materiel offered so that later on we will not say:

"Beware of Greeks bearing gifts ..."

Was the mystery of the century thus solved?

I am not sure, but one explanation is better than none ...

9731

CSO: 3521/279

IRAN

ESTABLISHMENT, SUPPORT OF REGIME ATTRIBUTED TO BRITAIN

London KEYHAN in Persian 27 Jun 85 pp 1, 4

[London KEYHAN weekly in Persian; founder and publisher Dr Mesbahzadeh]

[Text] KEYHAN political service: Tehran-Moscow relations have been deteriorating in recent days. The officials of the Islamic Republic broke their temporary silence and accused the Soviet Union of compromising with the United States.

Simultaneous with the attacks of the officials of the Islamic Republic, Moscow, which was disappointed in the continuation of its negotiations with Tehran, has begun direct and indirect attacks against the regime.

The Soviet Union, which has close relations with Iraq, asked the officials of the Islamic Republic to end their war against that country.

However, not only was this proposal not agreed to by the authorities of the Islamic Republic, but these authorities even asked the Soviet Union for military aid and severance of aid to Iraq.

It was under such circumstances that in the heat of the bombing of cities and citizens, the Soviet Union recalled some of its experts and diplomats from Iran. Of course, this recall was apparently to protect the lives of the Soviet nationals, but in reality, it was to weaken the morale of the Iranian people and to show its displeasure in the policies of the Islamic Republic.

Under such circumstances, the NATIONAL VOICE AND RADIO, which is centered in Baku, began harsh commentary against the Islamic Republic, calling that government a puppet of Britain.

At the same time, PRAVDA, the organ of the Soviet Communist Party, published the letter of the Iranian Tudeh Party addressed to the international agencies and complained about the hardship

that the regime of the Islamic Republic imposes on the leaders of the Tudeh Party in prison.

According to informed sources, while the Islamic Republic is more than ever before politically isolated due to its support for terrorist acts, for the first time in the past six years, the Soviet government has also openly joined the ranks of the opponents of the regime of Ayatollah Khomeyni, and most days the Soviet press publishes reports concerning the suppressive policy of the regime against its opponents or the policies of the Islamic Republic in connection with the war. Meanwhile, the clandestine radio, the NATIONAL VOICE, which broadcasts its programs from Baku, has increased its attacks against the regime and particularly the person of Ayatollah Khomeyni in recent weeks. According to diplomats residing in Moscow, during the recent visit of Hafez al-Assad, the Syrian president, to Moscow, the Soviet leaders threatened that if he does not stop his support for the Islamic Republic, he should not expect more military aid from the Soviet Union. Meanwhile, the Soviet officials have also put pressure on Libya to stop sending arms to the Islamic Republic.

Recommendation of Moscow to North Korea

According to diplomats in Moscow, last week during the visit of a Soviet political, military delegation to "Pyongyang," the capital of North Korea, the Russians reminded the Korean leaders that the time has come for that country to reconsider its arms aid to the Islamic Republic, because the continuation of such aid would mean the escalation of the war.

The press reports in connection with the Soviet-American negotiations concerning Afghanistan indicate that the Russians intend to resolve the Afghanistan issue at any price and at the same time, the Islamic Republic, more than Pakistan, is responsible for provocations in Afghanistan to prevent an agreement. For this reason, in order to counter this policy of the Islamic Republic, in areas that it has influence and power, the Soviet Union makes efforts to counter the Islamic Republic.

The Soviet press, as well, has assumed a hostile posture towards the Islamic regime.

PRAVDA, the official organ of the Soviet government, practically presented the Islamic Republic as the cause of the war in an editorial about the war in the cities last week. Also, by publishing the telegrams of the leaders of the Tudeh Party to the international agencies concerning the torture of Tudeh prisoners, this newspaper has indirectly protested to the Islamic Republic.

Western sources believe that considering the severe deterioration of relations between the Islamic Republic and the West, the fact that the Soviet Union is not interested in taking advantage of the situation to establish closer ties with Tehran indicates that Moscow has no hope for the Islamic regime. Therefore, it is natural for this hopelessness to appear in the form of vast propaganda in the Soviet Union against the regime.

Last week, in a commentary, the NATIONAL VOICE called the Islamic regime a dependent of England and announced that Ayatollah Khomeyni was brought to power by Britain. In its commentary, the NATIONAL VOICE referred to the "increase of the resistance and hostility of the Iranian nation against the criminal regime governing Iran" and added: "In addition to the religious guardian, his British master is also quite frightened, and now the anxiety about the imminent fall of Khomeyni has forced the British government to devise new policies."

The Help of the British Masters

In another part of its commentary, the NATIONAL VOICE states: "The extensive demonstrations of the Iranian people against the regime and its destructive war, the widespread publication of tracts and anti-regime communiques condemning the savage methods of despotism and reactionism dependent on Britain and inviting the people to a united uprising, and the cries of death to Khomeyni which are heard from every corner of Iran are clear indications that the regime is about to fall, a regime that has brought nothing but bloodshed and slaughter and has preserved its domination over the Iranian nation with the help of its British masters."

The NATIONAL VOICE, considering the struggle going on in Iran against the regime as a life and death struggle for the Iranian nation, then adds: "Our nation has truly risen to destroy the roots of a bunch of corrupt clerics who have dragged Iran into blood and dirt to carry out the colonialist policies of the British spy agency. With its message, the Iranian nation wants to tell the world that Iran is not the Arabian peninsula of the sixth century and Iranians will no longer tolerate the domination of the black religious guardianship of Khomeyni. Obviously, such a struggle has disturbed Khomeyni's British masters. An example is the newspaper DAILY EXPRESS, which publishes the views of the governing group and of British intelligence and hopes that Khomeyni will stay in power." In connection with the old ties between the clerics and the British spy agencies, the NATIONAL VOICE points out the financial aid of British colonialism to the clerics and says: "Let us not forget that it was England that brought the Khomeyni regime to power, and with the help of the United States in the course of the fall of the shah, it established the rule of reactionism over Iran."

"Therefore, if we see today that Khomeyni's British masters defend him, we must not be surprised. But, as our nation has shown in the past that it is capable of fighting England, today as well, it stands against the regime of Khomeyni and its masters and ultimately victory will belong to the Iranian nation."

10,000

CSO: 4640/620

IRAN

PSYCHOLOGICAL WAR AGAINST ISLAMIC REPUBLIC DEFUZED BY UNITY

Tehran KAYHAN INTERNATIONAL in English 18 Jun 85 p 2

[Text] Tehran, Jun 17 (IRNA)--Prime Minister Hussein Musavi said that the imperialist powers were taking measures to equip the Iraqi regime and to exert pressure on Iranians in order to force them to surrender.

Speaking at a recent cabinet session, Musavi noted that to this end, the mass media supported by the superpowers had been commissioned to stage a psychological war against Iranians. But, he stressed, with their unity on International Qods Day (last Friday), Muslim Iranians dealt a blow to the imperialist powers.

The prime minister said that the Islamic Revolution was relying on the people's devotion, adding that the government would not hesitate in taking any measure in the service of the people.

On the halt of Iraqi attacks against residential quarters, Musavi said that the Baghdad regime had started bombing Iranian cities in the first place. Therefore, he said, Iranian forces would continue their attacks at the war-fronts.

Meanwhile, Minister of Islamic Guidance Hojjatoles-lam Muhammad Khatami said that the temporary moratorium by the Iraqi regime was an indication of the confused state of international arrogance, adding that the depth of such crimes should not be forgotten because of such tricks.

Deputy Prime Minister for Executive Affairs Manuchehr Aqazadeh called on the government to take a serious stance vis-a-vis those countries which had provided the Baghdad regime with advanced arms.

Minister of Heavy Industries Behzad Nabavi emphasized that preparations should be made for an extensive defense, adding that the enemy should not be allowed to repeat its crimes whenever it wished.

He said that the Islamic Republic of Iran was against the "war of cities," but noted that as long as the Baghdad regime did not make commitments to international organizations for halting attacks on residential areas, Iran would continue retaliatory measures.

CSO: 4600/513

IRAN

POLITICAL ASYLUM GRANTED TO SADDAM'S FORMER SECRETARY

Tehran KAYHAN INTERNATIONAL in English 18 Jun 85 p 1

[Text] Tehran, Jun 17 (IRNA)--The Iraqi woman who had been in charge of Saddam Hussein's office since his coming to power in July of 1979, said here today that she defected to the Islamic Republic because as an insider, she was conscious of the growing suspicion of her by Saddam which meant she would be ordered killed by him any time.

Mrs Khalidah Abdul-Ghahar in Tehran with her husband and four children since last month, said because of the nature of her duties and because of her long and intimate relations with Saddam's sister Nawal, she thought it likely that Saddam's men were soon to kill her.

Abdul-Ghahar said during the past 18 months the Iraqi ruler ordered many of his own personal guards and the staffers of his palace killed solely because he suspected that they had secret contacts with opposition parties and Muslim dissidents in the country. She has been granted political asylum by the Islamic Republic.

Her husband was external trade ministry official reporting directly to Saddam's brother Barzan and a former business partner of Saddam's family.

The former secretary said that worried by opposition at home and the intensifying struggle of Muslim groups Saddam Hussein mercilessly encounters the opposition, ordering capital punishment for disgruntled Iraqis and members of opposition Muslim groups.

The defecting Iraqi national also says Saddam is far from being courteous even to his own supporters among Arab rulers, usually referring to them as "animals" among his aides.

Khalidah Abdul-Ghahar recalls Saddam's personal involvement in the thrice attempted poisoning of King Hussein of Jordan before the outbreak of the Islamic Revolution. She says despite his deep-seated enmity with King Hussein, after the Islamic Revolution in Iran the Iraqi ruler put aside his differences with him and the two immediately emerged as loyal friends in their confrontation with the Islamic Revolution.

She expressed confidence that the rising opposition inside Iraq would eventually prevail over the suppressive government in that country and that sooner or later "The peoples' blood will wash away Saddam's palace."

CSO: 4600/513

IRAN

NOTIFICATION OF SENTENCE PARDONS, SUSPENSIONS, REDUCTIONS ISSUED

Tehran KEYHAN in Persian 25 May 85 p 2

[Text] Hojjat ol-Eslam Morteza Moqtada'i, a member of and spokesman for the Supreme Judicial Council, took part in a press, radio and television conference last Thursday and explained to reporters the most important issues discussed last week in the Supreme Judicial Council.

He first said: In one of the sessions this week, the director of the general inspection agency of the country, accompanied by the vice chairman, deputies and a group of the judges and employees of that organization, attended the session. The director of the organization presented a report concerning the steps taken, the improvement and relative completion of the organization, the area of the activities of each of the deputies, and the inspection groups appointed under the supervision of each deputy. Considering the importance of the work of the organization and the necessity for inspection in various judicial and executive areas throughout the country, he proposed the expansion of that organization. Then committees that continuously inspect all the provinces of the country in various areas presented to the Council the most important of their reports on the Provinces of Tehran, Semnan, Kohkiluyeh and Boyer Ahmad. In conclusion, they pointed out the cases in which the inspectors have found violations which required investigation and which were suggested to the proper authorities by the organization, but steps were not taken. The Supreme Judicial Council determined that the organization should be expanded and given more resources upon the request of the director of the organization, in the light of Article 174 of the Constitution of the Islamic Republic, which establishes the inspection organization for the purpose of the correct implementation of the laws at various levels. Also, it decided to form a committee in the administration office of the Supreme Judicial Council to carefully follow up the reports it receives and to carry them out. Also, the council approved unanimously that the inspection reports and their views must be

carried out in accordance with the law and that the violators in every organization be subject to Article 56 of the law for Islamic punishment and must be treated in accordance with the same article. The anticipated punishment in this article is permanent dismissal from government services.

Hojjat ol-Eslam Moqtada'i then said: With the coming of the blessed month of Ramazan, and on the occasion of the anniversary of the blessed birthday of his holiness Imam Hasan Mojtaba in the middle of this month, a circular letter concerning the pardon, suspension and reduction of the sentences of prison convicts has been prepared by the Supreme Judicial Council and sent to the imam of the nation, who has given his consent. This circular letter was sent to all the public, revolutionary and military prosecutors' offices for implementation.

Concerning the general statistics of the operations of the courts and revolution, public and military prosecutors' offices in Tehran and provincial cities last year, he said: These statistics, which were presented to the Council by the revolution prosecutor, are very interesting and shows the efforts coupled with faith and sincerity of the judges of the courts and Prosecutors' Offices and the employees of the military courts, which were praised by the Council.

In another part of this interview, the spokesman of the Supreme Judicial Council said: A number of the Justice Department and Revolution Court judges have requested leaves to make a pilgrimage to Mecca. But, in accordance with the statements of the imam, who said that those who go on non-obligatory pilgrimage and whose departure harms the organization in which they serve should not do so, the Supreme Judicial Council has not agreed to these leaves and it is requested that the honorable judges not send applications.

Concerning Article 158 of the Constitution and the establishment of the Supreme Judicial Council, Hojjat ol-Eslam Moqtada'i said: Since some time ago, there have been discussions about Article 158 of the Constitution as to whether the Supreme Judicial Council, like the Majlis and the Council of Guardians, should serve for a term, that is, since the beginning of this Council, it would continue for five years and those who are appointed during the five years would be considered mid-term, or whether it means that every member would serve for five years from the time he is elected. Some of the judges and legal experts believe that they must serve for a term and others thought not. Since the interpretation of the Constitution is the responsibility of the Council of Guardians, a letter was sent asking for an interpretation of this law. The response of the Council of Guardians was discussed in a session as follows: It is understood by Article 158 that the Supreme Judicial Council is on

a term basis. However, the election of the above-mentioned council must be renewed every five years, even though some of them are appointed during the term. Hence, according to the opinion of the Council of Guardians and from the beginning of the establishment of the Council at the time of the late martyr Ayatollah Dr Beheshti and the late martyr Qoddusi and the rest of the members to early next summer, the five years will have come to an end. Therefore, the Supreme Judicial Council determined that the elections be announced. A three-member committee consisting of a representative of the imam, a representative of the Supreme Court and a member of the Supreme Judicial Council was formed and this committee will soon begin its work in connection with the elections. We hope that the elections for the Supreme Judicial Council will be carried out as rapidly as possible.

10,000

CSO: 4640/614

IRAN

ABSENTEE VERDICTS ISSUED AGAINST LANDOWNERS

Tehran KEYHAN in Persian 25 May 85 p 3

[Text] Qom, KEYHAN correspondent.

On the first Friday of the blessed month of Ramazan and the third anniversary of the liberation of Khorramshahr, the political-worship and enemy-crushing prayers of this week in the city of Qom were held with the participation of the vast Hezbollah nation, which is always present on the scene, under the temporary leadership of Ayatollah Sane'i in the Imam Sadeq theological school.

The speaker before the sermons was Hojjat ol-Eslam Ashtiani, the head of the organization for Islamic propaganda of Central Province, who spoke in detail concerning the spiritual effects of fasting.

Then, Ayatollah Sane'i, the temporary Friday imam of Qom, called the people to piety, spoke on Judgment Day and its role in preventing sin, and said:

The cause of all these deviations, hostilities and the failure to implement the laws of God is not believing in the world after death and Judgment Day.

He added: Those who love the front and martyrdom are sure of the world after death. On the other hand, there are the worshippers of desires and comfort-seekers who are happy only with fasting and prayers and avoid the fronts and war. They only want to placate their consciences and are not certain of the world after death.

In the second sermon, Ayatollah Sane'i discussed the relation of the verses on fasting, retribution, seclusion and not violating the rights of the people and said: By juxtaposing these laws, the Koran wants to point out that Islamic laws do not exclusively concern prayers, fasting, seclusion and other conventional acts; along with these are penal and civil laws, holy war and killing.

Given the fact that it places the verse on not violating the property of the people next to the verse on fasting, it wants to say: You who even avoid legitimate property, be careful not to violate the property of the people and the rights of others. A person who secludes himself in a mosque for solitary prayers no longer has an effective rank, position or pen. The Koran says: Along with that, be careful lest by going to rulers and judges and resorting to weeping, lying, forgery and false witness you embezzle people's property. Besides, a person who uses such tricks to violate people's rights, once the ruling for him is late a day or two, he begins to cry out, Oh woe is Islam, to the world and he becomes a person who understands what the statements of the imam meant. He added: Where did you get all this property? You have a home of 40,000 square meters; 2 million rials is the price of cherries alone in your house in the best part of Tehran, in Shemiran; and next to you is a house of 35-40 square meters. And then, when the Islamic court goes to them, they begin to cry out, Oh woe is Islam. What is the history of these people? They own hundreds of shops in Tehran and hectares of land around it and avoid giving an explanation to the court. They must know that the court will issue an absentee verdict in accordance with the standards, which will be implemented to prevent slander and magazine articles. Slander is punishable in accordance with the laws, and [such] letters written to the institutions warrant punishment. It is true that the government is slow to react, but it is severe. Ayatollah Sane'i added: It is dangerous that some people want to embezzle the property of the people and destroy it with an appearance of justice. Not only if they contact the judge, but if they contact the minister or persons in lower ranks and violate the people's rights in obtaining agreements in principle, the distribution of goods, and the issuance of trade permits and commercial credit, even if such an individual fasts, it is false.

He said: Now that the Majlis has clarified the situation of 800,000 hectares of land, through its untiring efforts, those subjugators still do not believe that this action is Islamic. When you tell him that this issue has been discussed in the Majlis and the religious jurists and scholars have given their opinion, he is not satisfied. Instead of praise and thanks, they even quote a note. Some of these people were holding alcoholic beverages in their hands until the other day, but today, they seek the advice of the sources of emulation, negligent of the fact that many of those who have ratified it were students of these sources of emulation.

Addressing the judges in the judicial courts, the prosecutor general of the country said: Usually, in determining prices and amounts, the opinion of experts is implemented, but if a judge knows that the opinion is not in line with the real price, there is no need to follow the opinion of the experts. Referring to

the third anniversary of the liberation of Khorramshahr, he said: At the time when Khorramshahr was in the hands of the enemy, they did not believe that the Islamic forces would come, take 15,000 of them as prisoners, and wound or kill thousands of them. The Iranian nation lost Khorramshahr as a result of the treason of such treacherous persons as Bani-Sadr. But later, when the good people came to power and the combative forces were organized, Khorramshahr was liberated. We ask God to grant His limitless blessings on and greetings to the victorious spirits of the martyrs of Khorramshahr.

10,000

CSO: 4640/615

IRAN

EDUCATION DEPARTMENT TO HIRE LITERACY MOVEMENT INSTRUCTORS

Tehran KEYHAN in Persian 26 May 85 p 19

[Text] Esfahan, KEYHAN correspondent. The instructors of the literacy movement with five years of experience will be hired as official teachers in the Education Department.

Hojjat ol-Eslam Nabavi, head of the literacy movement of Esfahan, said in an interview: In accordance with certain stipulations, after five years, the instructors of the movement may be employed as official teachers in the education department and the five years mentioned above will be calculated as part of their service. There is also an agreement between the movement and the joint headquarters that the instructors of the movement will be given a code during their military service and may continue their literacy activities in the armed forces. For the administrative cadre, as well, if they want to be hired by the government, the years of their service will be taken into account. Individuals who have had significant service will be used during their military service for the administrative cadre in the offices of the movement in the deprived areas.

In the area of reorganizing the literacy classes in the new term, he said: At present, 40 groups of 5 members each are actively engaged in helping the illiterate sisters in 40 areas of the city of Esfahan and it is expected that in this way, we will be able to operate 300 literacy classes.

He added: In the other offices of the cities of the province, only one person at the present time remains to answer and the rest have left to establish classes in the neighboring villages.

In connection with the changes created in worker literacy, Hojjat ol-Eslam Nabavi said: According to the circular letter of the prime minister ratified by the Cabinet, the workers of factories and establishments will from now on receive 10,000 rials after obtaining the certificate for completing the elementary term and another 10,000 rials for obtaining the complementary term as an

incentive. With the change in the educational system from two to three terms, that group who also obtain the final term certificate will receive another 10,000 rials.

In the past, worker literacy students would receive 10,000 rials for obtaining the complementary term certificate.

Also, it has been approved that after successfully completing the literacy courses, workers will receive a pay increase of 5 percent. What is interesting is that private factories and establishments are required to cooperate with the movement to establish literacy classes. This itself is a major change, because previously this was contingent upon the agreement of the management of factories and establishments. Also, if workers do not participate in the literacy classes after registering, for every hour of absence, one hour will be deducted from their monthly wages.

In connection with the decrease in the percentage of illiterates throughout the province, he said: In 1355 [21 March 1976-20 March 1977], there were 14 million illiterates throughout the country. This number increased to 15,400,000 in 1363 [21 March 1984-20 March 1985]. Considering the population increase, it should be pointed out that in the 1976-77 period, illiterates made up 50 percent of the population of the country, whereas today this number is 35 percent. Hence, 15 percent has been eliminated from the percentage of illiterates in the country in the course of 8 years. He also said: The Province of Esfahan, with an illiteracy rate of 32 percent of the entire population, has, after Zanzan and Tehran, the lowest illiteracy rate in the country. It is necessary to explain that during the period 21 March 1982-20 March 1983 and the 1984-85 period, we were able to teach 8 percent of the illiterates to read and write. Individuals who succeeded in obtaining certificates during the period 21 March 1983-20 March 1984 numbered 39,206. And we hope this upward trend will increase every day.

10,000
CSO: 4640/615

IRAN

CONDITIONS FOR ADMISSION TO FREE ISLAMIC UNIVERSITY ANNOUNCED

Tehran KEYHAN in Persian 26 May 85 p 3

[Interview with Dr 'Abbas Jasebi, president of the Free Islamic University, by KEYHAN; date and place not specified]

[Text] This year, for the first time, this university will also admit students in medical fields.

The examination for the medical fields will be held on a different date than that for other fields.

About 20,000 new students for associate and bachelor's degrees will be admitted next year to the Free Islamic University in various academic fields.

Dr 'Abbas Jasebi, president of the Free Islamic University, said in an interview with KEYHAN concerning the details of this test: With the cooperation of the affiliated units in the provinces and various cities, the Free Islamic University tried to increase its capacity and on this basis, with this examination, about 20,000 students will be admitted.

He added: In this year, examination students will be selected for associate and bachelor's degrees who will continue their education in four groups--medical, technical and engineering, basic sciences and humanities. Here it should be pointed out that in the medical group, students will be admitted for the first time. For this reason, arrangements have been made so that applicants can participate in both the medical group and another group. In other words, the applicant will have two chances for participation, because these tests will take place on separate days.

Then, concerning the fields and the procedure for participation in the examinations, the president of the Free Islamic University

said: The registration forms will be made available to the public this week through widely circulated newspapers. Applicants must read the form carefully, fill it out, and send it along with the required documents for registration.

The registration fee is 2,000 rials, which the applicants for the technical and engineering, basic sciences and humanities groups must deposit in the Zabarjad branch of Melli bank account No 1508 and applicants for the medical fields can deposit their fees in account No 600 of the second Pasdaran-e Golestan branch of Saderat Bank.

Here, it should be pointed out that if an individual applies both for the medical and another field, he must have two registration fee receipts and send the completed applications in two separate envelopes.

Dr Jasebi, in conclusion, said concerning the fields for which students will be admitted: In this term, students will be admitted for the midwifery, nursing, and paramedical fields of medicine, and for electricity, mechanics, road construction, foundries, textiles, agriculture, physics, chemistry, mathematics, Islamic culture, Persian literature, English language, management and accounting.

Also, as has been announced earlier, applicants do not need to worry about military service, because the university will obtain educational exemptions for them.

10,000
CS: 4640/614

IRAN

MINISTERS DETAIL VEHICLE DISTRIBUTION, NON-PETROLEUM EXPORTS

Tehran KEYHAN in Persian 29 May 85 p 3

[Text] KEYHAN political service. Yesterday, the Majlis held an open session.

In this session, after the pre-agenda speeches of the representatives of Kerman and Jiroft, the first round of discussions of the bill on the use of traffic officers in traffic accidents was examined and its general points were ratified.

Also, in this session, the second round of discussions of the bill on the presidential elections of the Islamic Republic of Iran was held, a report on which was published yesterday. The continuation of the detailed report on the open session of the Majlis follows:

The next item on the agenda of the Majlis yesterday was the second round of discussions on the bill on the presidential elections of the Islamic Republic of Iran, which was discussed and examined.

Mahmud 'Alavi, the spokesman of the committee on councils and international affairs, provided explanations concerning this bill after several sessions of this committee and the bill was ratified in the presence of concerned authorities with 93 articles.

Then Articles 1 through 4 of the bill were read and discussed. Since there were no suggestions, every article was read separately, put to a vote, and ratified as follows.

Bill on the Presidential Elections of the
Islamic Republic of Iran

Chapter One: General Points

Article 1. The term of the presidency of the Islamic Republic of Iran is four years and will begin from the date of the confirmation of the credentials by the leader.

Article 2. The credentials of the president will be prepared by the Council of Guardians and will be presented to the leader.

Article 3. The Ministry of the Interior is responsible for providing the preparations for carrying out the next term elections three months before the end of the four-year term of the presidency and for informing the public of the election procedures and the registration date for presidential candidates through the mass media, with consideration for Articles 119 and 131 of the Constitution.

Article 4. Should government employees be elected president, the years of their presidency will be counted as part of their employment.

Then Article 5 was read and discussed. Fo'ad Karimi proposed the omission of the phrase "or cancel" in this article and said: This article has been given two responsibilities in regards to the elections to the Council of Guardians, one is for stopping the elections and another is for its cancellation. If we accept the stopping of elections and the Council of Guardians stops them as the supervisor, where does cancellation come in? The Constitution gives the right of supervision to the Council of Guardians alone. This will open the way for influences and misuse.

As an opponent, Musavi-Tabrizi said: Mr Fo'ad Karimi's interpretation is incorrect. If the Constitution specifies informed supervision in the full sense, then it cannot even stop it, and if the Constitution has stated supervision as a good thing, then stopping and cancellation are the responsibility of the Council of Guardians.

In support, Sadeq Khalkhali said: The Council of Guardians has the right to supervise the elections, and supervision is different from cancellation. Cancellation has an aspect of judgment. That is, they come, sit down and judge. For example,

in some places elections were carried out improperly. This concerns the Ministry of the Interior and the executive organizations. In my opinion, the Council of Guardians must not accept this view.

Then the spokesman of the committee and the representative of the government provided explanations and opposed this proposal. Then the proposal to omit the phrase "or cancel" was put to a vote. It was not ratified, but rejected.

Then Articles 5 through 16 were read, each put to a vote separately, and ratified as follows:

Article 5. Should the Council of Guardians for some reason announce the stopping or cancellation of the presidential elections throughout the country, the Ministry of the Interior will take steps with the opinion of the Council of Guardians to hold elections again at the earliest proper opportunity.

Article 6. The supervisor of the Ministry of the Interior and supervisors of the Offices of Governors General, Governors' Offices, and Lt Governors' Offices will take the place of governors general, governors, and lt governors.

Article 7. The implementary bylaws of the presidential elections will be prepared by the Ministry of the Interior and implemented upon the approval of the Cabinet.

Article 8. Supervision over presidential elections is the responsibility of the Council of Guardians. This supervision is general and covers all stages and all affairs related to the elections.

Chapter Two: Election Procedures

Article 9. Elections will be held directly, publicly and by secret ballot.

Article 10. The period for holding presidential elections from the date of the issuance of the decree for starting elections to the date of vote collection will be a total of 30 days.

Article 11. Should one of the candidates whose competence has been confirmed in accordance

with this law die within 10 days of voting, elections will be postponed for two weeks.

Article 12. Presidential elections shall be with an absolute majority vote.

Article 13. If in the first phase none of the candidates obtains [a majority vote], the election shall be in two phases. That is, the two candidates who have had the most votes in the first phase will participate in the second phase of the elections.

Article 14. The second phase of elections will be held on Friday of the following week.

Article 15. At any stage of the presidential elections, should, for any reason, only one candidate remain on the election charts, the decree to hold the elections again will be immediately issued.

Article 16. In the second stage, should one of the two persons who has received the majority vote die and only one person remain on the chart, elections will be held again after two weeks.

Continuation of discussions on this bill was postponed to the next session.

Question of Seyyed Reza Zavvareh'i

In the conclusion of the open session yesterday, the representatives put their questions to the ministers. Seyyed Reza Zavvareh'i asked the minister of heavy industries in connection with vehicle distribution:

The question is: One day the brothers in the Saypa Islamic society invited me during the ten days of Fajr to give a speech there. After the talk, both the managers of the company and the Islamic society asked me to visit the factory and its products. I went there and they showed them to me, expressing anxiety about the Renault 5100 and the Nissan 1800 being available there.

Their anxiety was due to the fact that on the same day, there was a fire in the Zamyad factory and a number of cars were burned. They wanted to know: If such a fire were to occur here, who would be responsible for the waste of the treasury? They considered the minister of heavy industries responsible for not selling them, saying that he did not permit the sale.

They also said that the cylinders of 160 of the Nissans had cracked during the freeze. They were held in the factory, no attention was paid to them in the winter and no antifreeze was put in them. Consequently, the cylinders of 160 Nissans were cracked.

My question is, what is the reason for preventing the sale of Renault 5100s and Nissan 1800 vans? And concerning the cylinders of 160 Nissans which cracked during the freeze due to the halting of several months in the factory, a decision which in addition to inflicting financial damage creates a black market for cars and consequently the increase in prices and inflation, on what economic or social policy is this based?

[Response] of the Minister of Heavy Industries

Then, Behzad Nabavi, the minister of heavy industries, responded to the question raised and said: Concerning the distribution of vehicles, there are a number of restrictions, and while we are very interested in the distribution of vehicles becoming free, it is not possible. In a ratification, the government has conferred the procedure for the distribution of vehicles on the Ministry of Heavy Industries, the reason being that supplies cannot meet demands. We had 8,000 applicants for Peykans in the previous lottery. Hence, we had to establish a rationing system, which created a series of side effects and problems.

If we free the rationing system for vehicles, we must be able to respond to the market demands. That would not conform to the economic and currency conditions existing in the country and the general policies of the Islamic Republic of Iran and this in itself is a factor which slows down the system.

Concerning the lottery, I must say that we cannot have nothing in the factory on the day that we have a lottery for 10,000 vehicles; and these commitments also exist from before.

Also, on the day that Saypa factory was visited, there were 4,150 vehicles and the reason was the delay in the lottery for Renaults due to the unclear situation concerning future Renault production.

Since we did not know how to deal with the issue of Renault due to the currency problems, the same problem exists as that with regard to Peykan and there has not been a lottery after four months.

If the factory produces about 5,000 or 6,000 and they are allocated to the lottery, if we were to hold a lottery, there would be a commitment from the factory which we may not be able to meet. Hence, a delay occurs that causes problems in practice.

Concerning the second question, I will give you a brief explanation. We were informed of this problem in mid-winter by the person who has posed the question.

We followed up the issue and realized that it had happened in 1362 [21 March 1983-20 March 1984]. Since then, the general manager and the board of directors have changed, and even the new general manager and board of directors are not fully informed of this issue. We admit that a violation has occurred. We are investigating it and will inform you of the results.

After the explanations of the minister of heavy industries, Seyyed Reza Zavvareh'i said: I am not satisfied with the explanations of the minister to my questions and will refer my question to the committee on questions.

Question of a Number of Representatives to the Minister of Commerce

Then, a number of representatives asked the minister of commerce about the expansion of non-petroleum exports. Seyyed Ahmad Kashani, one of the representatives who posed the question, said: The paragraph and ratification concerning non-petroleum exports states that the imported goods in exchange for exports are fully subject to the distribution regulations of the Ministry of Commerce except for items that, after coordination between the Ministry of Commerce and the concerned ministry and the opinion of the Central Bank, are exempted with the approval of the prime minister from the distribution regulations.

The first question is: Considering the essential and vital principle of respecting legitimate ownership while permitting freedom of the use of property, what is the religious and legal justification for applying the regulations for distribution of the Ministry of Commerce to goods which become the religious and legal property of individuals following all legal regulations and payment of all legal government duties, such as customs taxes, commercial interest and related taxes? Secondly, why is an item free or subject to the regulations with the signature of the prime minister?

The second question is: It has been said that in the regulations, exports are not permitted in exchange for imports without the transfer of currency.

The third question is: In the ratification, it has been stated that if the foreign party purchases the exported goods in exchange for goods, the Iranian exporter can engage in such a transaction provided the foreign party opens a non-returnable documented credit for him.

The fourth question is: It states that if the exporter imports goods in exchange for exported goods, he must first sell the currency obtained at the official price to the Central Bank and then up to a maximum of the amount of currency deposited, he can import goods. Considering the goal of expanding exports through bartering and imports in exchange for exports, what justification is there for this bothersome and halting obligation?

Response of the Minister of Commerce

Then Mr Ja'fari, the minister of commerce, responded to the questions and said: What concerns the questions and me is that these ratifications and the bylaws that are prepared and devised have gone through an interesting course. When we took over exports, it was like a lifeless corpse and we had to bring it back to life and make it active. This revitalization and activation has gone through stages up to today. Now that I am before the honorable representatives of the Majlis, I am very happy and proud that some steps have been taken which had not been taken in the past several years. One of these steps is the ratification to which our brother referred and they had problems. But in the next steps, the same problems were eliminated one by one to the extent that in the export and import regulations which were ratified by the Majlis, many of these problems were removed, providing us with a proper grounds for the movement of exports. It is appropriate here to refer to the latest export statistics which I received today. I must say that a spark of hope was lit in our hearts and should also light up the hearts of each of the members of the nation and the honorable representatives of the Majlis. The relating of the news that exports are coming to life and achieving results is itself a step and a preface to improving the affairs more rapidly.

The early spring statistics for exports reached me today. Fortunately, the statistics show a significant increase compared to the same period last year. On the whole, the value of our exports has increased by about 78.16 percent compared to early spring of last year. In terms of weight, it is 523 percent, which so far is unprecedented in the whole of exports. In addition, there is a new ratification which has been approved and announced by the Cabinet and if there are problems, the brothers will tell us to eliminate them.

According to this ratification, we were able to exempt a large number, perhaps more than 100 items, of exported goods from the payment of currency agreements and exporters who are engaged in exporting these goods are no longer required to deposit currency agreements.

Then, referring to the details of the questions raised, he gave the necessary response in connection to them.

After the explanation of the Minister of Commerce, Seyyed Ahmad Kashani said: The explanations of the minister of commerce concerning the non-petroleum exports were not satisfactory and I will refer the question to the proper committee.

The open session of the Majlis concluded at 12:20 pm and the next session was set for tomorrow, Thursday, at 8 am.

In this session, two proposals by a number of representatives were received as follows:

1. Proposal for the establishment of the supreme council of Islamic propaganda and guidance.
2. Proposal for amending Article 45 of the military service law ratified on 21 October 1984 by the Majlis.

10,000

CSO: 4640/622

END